

THE DEPARTMENT OF STATE



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October 13, 1958

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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.

Challenge to Peace in the Far East

Address by Secretary Dulles¹

This Far East-American conference has dealt with economic relations between the United States and the countries of Asia. I shall talk about these economic matters for a few minutes, but I shall then speak of the various facets of the China problem—where there is a threat of war which could submerge all of our peaceful plans.

Trade

Trade between the United States and South and East Asia has steadily grown. In 1957 its value totaled nearly \$5 billion. And we can expect it to increase.

One important way in which our Government has promoted this growth is through the reciprocal trade agreements program. At the request of the President the Congress this year extended this program for a further period of 4 years. That is the longest single extension that has been enacted during the 25-year history of the program. Traders of other nations are thus assured of a continuity of United States trade policy which, on the one hand, contains reasonable protective features and, on the other hand, will promote trade. It will thus serve the overall economic strength and security both of the United States and of its free-world friends.

Another governmental help to trade is the Export-Import Bank. The last Congress increased its capital from \$5 billion to \$7 billion. It thus has new resources to supplement, but not supplant, the resources of private institutions.

Also the United States contributes to the Inter-

national Monetary Fund, which helps trade because it helps to keep currencies on a stable basis.

Economic Development

In much of South and East Asia political freedom has recently come, bringing with it aspirations for economic improvement. Peoples long bogged down in the stagnation of poverty strive for a better life. It is vital that the free world should find ways to assist them. Otherwise the materialistic approach of communism may be irresistible.

The United States knows that it is possible to have both freedom and economic development. But we must help other free societies to demonstrate that human freedom and economic welfare can go hand in hand and that it is not necessary to sacrifice human freedom in order to achieve material advancement.

Last week I proposed to the General Assembly of the United Nations that the members should, in 1959, make a special effort to develop long-term, cooperative plans for assisting the processes of economic growth in less developed areas.² The United States feels that the time has come for the nations to make an unusual and significant effort to demonstrate both the will and the capacity to help economic growth throughout the world.

Private initiative and private resources can and should have a primary role in providing the capital development needed to meet these goals. But abnormal risks are sometimes involved; so the United States Government has a part to play.

Last year the Congress created the United

¹ Made before the Far East-America Council of Commerce and Industry, Inc., at New York, N. Y., on Sept. 25 (press release 560).

² BULLETIN of Oct. 6, 1958, p. 525.

States Development Loan Fund and has provided it with capitalization of \$700 million. We hope that this capital will shortly be increased, so that the fund can make significant loans over a period of years for development projects on liberal repayment terms, including repayment in local currency. In this way the fund can play an important role in cooperation with other lending bodies, public and private.

An additional governmental measure is our investment guaranty program. It provides insurance against the noncommercial risks of non-convertibility of currency, expropriation, and war. Nearly 40 nations have signed agreements under this program, and over \$200 million of insurance contracts have been issued. Nations of Asia which have not yet qualified for agreements may wish to consider doing so.

The United States is the largest contributor to the capital of the International Bank for Reconstruction and Development, commonly called the World Bank. This institution has already invested over a billion dollars in Asia. Its initial resources have now largely been committed, and there may be need to increase its capital, as well as the resources of the International Monetary Fund. This will be dealt with within a few days at New Delhi at the annual meeting of the Governors of the bank and the fund.

In some areas of the world regional development institutions are being planned.

However, in the cases of most of the Asian countries, there are well-established, successful, bilateral relationships which are internationally coordinated, notably through what is called the Colombo Plan. This year the United States will be the host to the ministerial meeting of the member governments of this plan. We are happy to have this opportunity to evidence once again our warm support of its efforts.

The United States attaches the utmost importance to trade relations and economic development. These serve the legitimate aspirations of people everywhere for a better material life.

Unfortunately these aspirations are obstructed by the ever-present danger of aggression. This requires that the free world expend vast sums for defense. For example, the United States defense budget this year will be about \$45 billion. This is not a situation which we happily tolerate. We would prefer that the resources of men every-

where could be devoted to exclusively creative tasks rather than to sterile tasks of creating instruments of destruction. It is not beyond the realm of hope that, if the free-world nations devote themselves even more to creative tasks, their example and its results could bring about, even within the Sino-Soviet world, a greater use of human effort for human betterment. That would be a development to which the United States would respond with joy and alacrity.

China Trade

I turn now to China.

This conference has, no doubt, noted the lack of United States economic relations with Communist China. Such relations have been barred under our Trading With the Enemy Act since December 1950, when Communist China attacked the United Nations forces in Korea. At that time our Government said:³

If the Chinese Communists choose to withdraw their forces of aggression and act in conformity with United Nations principles, this Government will be prepared promptly to consider removing restrictions and restoring normal trade relations.

However, the Chinese Communists still maintain forces of aggression in and about Korea. They do not act in conformity with the United Nations principles. They are threatening war against us in the Formosa area. Therefore the 1950 restrictions on trade have not been lifted.

Some of our allies do, however, trade with Communist China, and recently at their behest we accepted some liberalization of the international list of strategic goods not to be sold to Soviet Russia or Communist China. The result has not been an increase in China trade. Actually, China trade is meager because Chinese Communist foreign buying power is limited and is used largely for war purposes. Tempting Communist trade offers are largely political bait.

It seems clear that, even if trade were today permitted between Communist China and the United States, it would be of insignificant proportions.

Moreover, developments in the Far East confirm the soundness of United States policy in not helping to build up a war machine which, it is now threatened, may be used against us.

³ *Ibid.*, Dec. 25, 1950, p. 1004.

United States Recognition of Communist China

I turn now to consider the policy of the United States toward what is called "recognizing" Communist China.

Let me, first of all, make clear that we do not pretend that the Chinese Communist regime does not exist. We know, at heavy cost, that it does exist. We do not refuse to deal with its representatives whenever it seems that that might serve a useful national purpose.

We negotiated the Korean armistice with Chinese Communists. We took part with them in the Geneva conference of 1954 which ended the hostilities in Indochina. Since August 1955 we have conducted negotiations at the ambassadorial level with them, first at Geneva and now at Warsaw.

But it is one thing to deal with the Chinese Communist regime in relation to specific problems. It is another thing to accord it general diplomatic recognition. That would greatly increase its influence and prestige and correspondingly increase its ability to do us harm.

There is no reasonable doubt that the basic foreign policy goals of the Chinese Communists are not reconcilable with our own. We seek friendly free-world governments in the Western Pacific and Southeast Asia. The Chinese Communists want to overthrow such governments, to dominate the western area of the Pacific, and to make Japan into a workshop for the Sino-Soviet Asian world.

Mao Tse-tung, immediately following his 1949 military successes on the mainland of China and a visit to Moscow, broadcast (February 1950) an appeal to the peoples of Southeast Asia calling upon them to rise up against their political leaders, whom he termed "colonial puppets" and "lack-eyes" of the "imperialists." At the same time the propaganda organs of the Chinese Communists went into high gear against the United States because we were a principal support of the free Asian governments. A typical example is a 1950 pamphlet of three sections. The first was entitled "We Must Hate America Because She Is the Chinese People's Implacable Enemy." The second section was entitled "We Must Despise America Because It Is a Corrupt, Imperialist Nation, the World Center of Reaction and Decadency." The third section was entitled "We Must Look Down Upon America Because She Is

a Paper Tiger and Entirely Vulnerable to Defeat."

This attitude of the Chinese Communists has continued consistently. Its expansionist policy has been shown in Tibet, in Korea, in Indochina, and now in the Formosa area.

The purpose of the present Chinese Communist activities in the Formosa area has been put categorically and brutally by Mr. Khrushchev in his letter of September 19 to President Eisenhower—the letter which the President returned unanswered.⁴ Mr. Khrushchev said, "The American naval fleet must be withdrawn from the Formosa Straits and American soldiers must leave Formosa and go home. Without this," Mr. Khrushchev said, "there cannot be lasting peace in the Far East."

Were the United States now to extend general diplomatic recognition to the Chinese Communist regime, this would be of immense help to them in carrying out their Asian policy.

Such recognition would, for example, gravely jeopardize the authority of the Republic of China on Formosa and its good relations with us. It would, in other Asian countries, mean that the influential Chinese communities would increasingly take political guidance from the Communist authorities and become a tool for the overthrowing of now friendly governments.

It is suggested by some that the Chinese Communists might alter their character and become friendly to the United States if we would grant them general diplomatic recognition. That is not realism but extreme romanticism which flies in the face of all actual experience.

We have given general diplomatic recognition to several countries which are dominated by international communism. Never once has such recognition served to alter the character or creed or hostile purpose of the recognized government or to deflect it from its expansionist policies.

In the face of this actual experience it would be reckless to take action which would immensely increase the capacity of the present Chinese Communist regime to carry forward policies which are not only hostile to the United States but highly dangerous to our security.

China and the United Nations

I turn now to efforts that are made to bring the Chinese Communists into the United Nations, ef-

⁴ *Ibid.*, Oct. 6, 1958, p. 530.

forts which the present session of the General Assembly rebuffed.⁵

The United States does not approach this matter purely from the standpoint of United States national policies. We believe that in such a matter the members of the United Nations have a duty to apply the charter tests and not national tests.

The charter of the United Nations provides that membership is open to "peace-loving states which accept the obligations contained in the present Charter and, in the judgment of the Organization, are able and willing to carry out these obligations." Also the charter provides that any member which persistently violates the principles contained in the present charter may be expelled.

The Chinese Communist regime has on no less than five occasions since 1949 resorted to armed force in an effort to expand its domain. Today it stands formally condemned by the United Nations as an armed aggressor. It has repeatedly and viciously expressed its contempt for the United Nations and its principles.

Some argue that the Communist Chinese regime would be "reformed" if it were in the United Nations. But the United Nations is not a reformatory. There was debate at San Francisco as to whether the United Nations should be a universal institution or whether its membership should be selective. The choice was in favor of a selectivity.

Let me read you an extract from the report of Secretary of State Stettinius to President Truman on the results of the San Francisco conference which created the United Nations.⁶ He said:

... It was pointed out by a number of delegations, and particularly by the Delegation of the Soviet Union, that it would be unfortunate to have a Member persistently violating the principles of the Charter while continuing to remain a Member of the Organization. Such a Member would be like a cancerous growth and ought not, it was thought, to be associated in any way with the Organization. In the end this view prevailed at the Conference. . . .

Since then we have had some practical experience. Communist nations which became members—and which cannot be expelled because of the veto—have not in fact been reformed. They have used force and violence as in Korea and Hungary and have consistently rebuffed the

efforts of the United Nations to put peace and order upon a stable basis.

If the Chinese Communist regime were brought into the United Nations, it would have shot its way in.

It is sometimes argued that the Chinese Communist regime does not have to meet the charter tests because the Republic of China is already a member and the so-called People's Republic of China inherits the rights in this respect of the Republic of China. That is an argument of dubious validity. Irrespective of it, the fact is that the membership of the United Nations has a choice of whether or not to bring into its midst and to give veto power on the Security Council to a regime which has flagrantly defied the United Nations; which has fought it; which has been found to be an aggressor; and which far from being "peace-loving"—the test for membership—has persistently violated the principles contained in the charter—which is the test for expulsion. It would in the words of Secretary Stettinius be "a cancerous growth and ought not to be associated in any way with the Organization."

Taiwan (Formosa)

Let me in conclusion speak briefly about the immediate situation in the Formosa Straits.

The Chinese Communists, starting last August 23, launched a major artillery attack against Quemoy. They say, and the Soviet Union says, that this is the beginning of an effort to take Formosa. They probably hope that by capturing the offshore islands of Quemoy and Matsu they will so destroy the prestige and authority of the Republic of China on Formosa that they can then quickly take over Formosa by a subversive coup. But they insist they will take it, if need be, by open force. And the Soviet Union offers its help.

Now, of course, the offshore islands do not constitute an ideal defensive position. The United States has not been blind to that fact, nor have we been unconcerned about it. But there are other facts also to which we cannot be blind.

Let us recall that a last phase of the ground fighting between Communists and Nationalists was a Communist effort to take Quemoy. This occurred in October 1949. Communist troops were landed, but they were driven off by the Nationalist forces in bitter battle. Ever since then—now for 9 years—the National forces have

⁵ See p. 585.

⁶ *Report to the President on the Results of the San Francisco Conference, June 26, 1945* (Department of State publication 2349), p. 49.

been in possession of Formosa, the Pescadores, Quemoy, and Matsu.

Like the Korean armistice line, that situation in the Formosa Straits reflects the actual military position when the main fighting stopped. It is this situation that the Chinese Communists are now attempting to alter by the use of armed force.

The Republic of China has under its authority relatively small amounts of territory. Among these, the offshore islands, including Quemoy and Matsu, have, for the Republic of China, a great significance, comparable to the significance of Berlin to the West.

Berlin is militarily indefensible. It is a small island of freedom totally surrounded by Soviet power. Nevertheless, the German Federal Republic and its allies, including the United States, have risked war, and today stand committed to risk war, rather than surrender Berlin.

That there is a close relationship between Formosa and the offshore islands is attested not merely by the Republic of China, but it is asserted by the Chinese Communists. When all factors, moral and material, are taken into account, the defense of one may not be divisible from the defense of the other. So the United States is assisting the Chinese Nationalists logistically in their gallant and inspiring defense of these offshore positions. And President Eisenhower has in relation to these islands made clear that United States forces may be used more actively if the Chinese Communists push further a military effort which they themselves proclaim has Formosa as its goal.

The stakes involved are not just some square miles of real estate. What is involved is a Communist challenge to the basic principle of peace that armed force should not be used for aggression. Upon the observance and enforcement of that principle depends world order everywhere. Once exceptions are begun to be made, that marks the breakdown of the peaceful order sought to be established by the principles of the United Nations.

If the challenge is to world society in general, it is particularly a challenge to the United States. If we were to show indecision or weakness in the face of this challenge, we would merely confirm the rulers of the Sino-Soviet bloc, the leaders of communism, in their hope that, by threatening anywhere around them, they can compel submission or surrender.

If we must meet that challenge, it is better met directly and at the beginning rather than after our friends become disheartened and our enemies overconfident and miscalculating.

Although the United States is not prepared to retreat in the face of armed force, our position is otherwise flexible. We have welcomed the willingness of the Chinese Communists to resume ambassadorial talks at Warsaw. We stand ready, in accord with our United Nations Charter obligation, to settle the dispute "by peaceful means in such a manner that international peace and security, and justice, are not endangered."

President Eisenhower and I have made clear that in these Warsaw talks we will not be a party to any arrangements which would prejudice the rights of our trusted and loyal ally, the Republic of China. But so far as we are concerned we would find acceptable any arrangement which, on the one hand, did not involve surrender to force or the threat of force and, on the other hand, eliminated from the situation features that could reasonably be regarded as provocative or which, to use President Eisenhower's words, were a "thorn in the side of peace."

So far, however, both the Chinese and Soviet Communists publicly reject in advance any settlement involving a cease-fire or which deals only with the offshore islands. They demand Formosa itself and the withdrawal of United States defensive forces from the Western Pacific area.

Obviously any readjustment of free-world positions which would add strength and security is desirable. But strength is not merely material. It is a compound of many elements. In the face of such threats as the Communists are now making, and the extreme position they are now publicly taking, it would be reckless to take action which, so far as can be judged, would not lead to peace but would dismay and dishearten our free-world friends and allies in the area and encourage our enemies to be more bold and reckless.

We believe that the Soviet Union, if it wanted to see a peaceful solution, could make that possible. That is why President Eisenhower in his letter of September 12⁷ to Chairman Khrushchev suggested that he should urge the Chinese Communist leaders to turn to a policy of peaceful settlement in the Formosa area. So far, however,

⁷ For text, see *ibid.*, Sept. 29, 1958, p. 498.

the situation is a study in contrasts. Let me briefly portray it:

On the other hand, the United States has a collective-defense treaty with the Republic of China. Pursuant to this treaty the United States has given substantial military assistance to the Republic of China. But it is agreed between us that the use of force in the area "will be a matter of joint agreement, subject to action of an emergency character which is clearly an exercise of the inherent right of self-defense." * Pursuant to this arrangement there has been no aggressive or offensive use of force by the United States or by the Republic of China against Communist China.

Now consider the other side. The Soviet Union has a treaty of alliance with Communist China. Pursuant to this treaty it has given vast amounts of military aid to Communist China. But, instead of assuring that this aid shall not be used for aggressive purposes, the Soviet Union is aid-

ing and abetting the Chinese Communists in a use of force against the Republic of China to conquer territory which the United States is by treaty obligated to help to defend. The latest Khrushchev letter, the letter rejected by President Eisenhower, boasted that the Chinese Communists, with Soviet support, would bring about the "expulsion"—that was Khrushchev's word—of the United States from the entire Formosa area.

The world may judge, from this contrast, which of our two nations serves the cause of peace and where lies the responsibility for the danger of war.

We refuse, however, to be discouraged. We continue the challenge of a peaceful settlement, a settlement which would meet every reasonable demand of the situation. That is our rejoinder to the Communist challenge of force. Let us hope and pray and work that our peaceful challenge will be accepted.

Foreign Trade: Welfare or Warfare

by J. Graham Parsons

Deputy Assistant Secretary for Far Eastern Affairs¹

I welcome this opportunity to participate in the distinguished forum provided by the Far East-America Council of Commerce and Industry, which has already done so much to promote the mutual welfare of Asia and the United States. It is an honor to meet with this outstanding group of citizens and businessmen who are personally contributing such a great deal to the realization of the theme of this year's conference: "Asia-U.S. Economic Relations, a Challenge of Mutual Understanding and Cooperative Action."

"Mutual Understanding" and "Cooperative Action"

"Mutual understanding" is a phrase which is constantly on the lips both of men of good will and

those of dark purpose. Our view of what it means is that both parties make an objective effort to put themselves in the other's place when they scrutinize their counterparts' aspirations and motives. Thus, for example, in examining Japanese aspirations to contribute to the economic development of Southeast Asia, and in responding to their overtures to enlist United States support and sympathy with those objectives, we seek, in the spirit of mutual understanding, to devise ways in which Japan as well as the United States and the other free nations can most effectively support the common purposes of the free world. In contrast, the Sino-Soviet bloc's interpretation of such mutual understanding is that it represents "a conspiracy of American-Japanese monopoly capitalism to reimpose colonialism" on the area.

The theme of this conference also stresses "cooperative action." Cooperative action is the basis of the United States approach to the problems of the Far East as in the rest of the world.

* For the text of the agreement, see *ibid.*, Dec. 13, 1954, p. 899; for an exchange of notes between Secretary Dulles and the Chinese Minister of Foreign Affairs on Dec. 10, 1954, see *ibid.*, Jan. 24, 1955, p. 152.

¹ Remarks made before the Far East-America Council of Commerce and Industry, Inc., at New York, N. Y., on Sept. 25 (press release 559).

The United States seeks to achieve its purposes by encouraging cooperation on the part of those with a stake in the creation of a free and bountiful society in the Far East. I have deliberately stressed the word "encouraging" in order to make two points: first, the United States cannot, and would not if it could, *impose* cooperation, and second, the difficulties of promoting cooperation in an area of such diverse cultures, societies, and economies, still not recovered from its tragic wartime experiences and exposed to the relentless pressures of Communist China, are enormous. Their solution will indeed require the all-out efforts of men of good will such as those assembled here.

What do the objectives of mutual understanding and cooperative action in the economic relations of Asia and the United States require today? I would say that they require a common appreciation of the present situation in the Far East and a common program of action based on that appreciation. In the United States view the Far Eastern situation, even apart from the Chinese Communist resort to military force in the Taiwan Strait, has for some time been dominated by one fact: the emergence of a dynamic, aggressive regime, restrained by no moral law, by no economic considerations, and little respect for world opinion. There was a time when Communist China, though not concealing its hostility toward the United States, operated behind a mask of benevolence toward the countries of the Far East. More recently, however, its trading tactics have once again unmasked it as the unregenerate disciple of Lenin and Stalin.

Chinese Communist Economic Offensive

It is peculiarly fitting that we should discuss such a development in this afternoon's panel, since it is the Japanese who thus far have been the principal targets of the Chinese Communist offensive. This campaign has been in progress for several years, but until recently it has not primarily been aimed at the Japanese and it has been pursued mainly in the form of cut-price trade, which by those who wished to interpret it in the best light could be labeled peaceful penetration—or even a rather backhanded variety of economic aid. It may not be generally recognized what remarkable gains the Chinese Communists have scored in their cut-price trade offensive. Unrestrained by any political necessity to devote re-

sources to the improvement of living standards in their own country, the Communists in China, as the Soviet Union in the 1920's, have had no compunction in resorting to hunger exports in order to militarize their economy and to pervert their trade for political ends. The trade offensive, in which food exports have been a prominent item, has gone forward despite widespread shortages and hunger on the mainland. Not all of the figures are yet available, but estimates of the total trade of Communist China with South and Southeast Asia now range about one-half billion dollars per year. In Indonesia, a traditional market for Japanese and Indian cotton textiles, Chinese Communist exports grew from 8.4 million square yards in 1954 to 100 million in 1957.

In Hong Kong the Communist Chinese have increased their share of the grey cotton-goods market from 0 percent in 1953 to 84 percent in 1957 and their share of the window-glass market from 0 percent to 47 percent. Hong Kong cement and textile mills have shut down because of increased Chinese Communist exports to Hong Kong, and the markets of Burma, Malaya, Thailand, Cambodia, Singapore, and Ceylon are all suffering from the Chinese Communist offensive.

Apart from foodstuffs, textiles, cement, and window glass, the Chinese Communists have also made great strides in many other specific fields. Lest we assume that the effort to win control has been centered on just a handful of products, let me enumerate a few other markets in which the Chinese Communists offer strong competition: building materials, such as building tiles; hardware, such as hammers, nails, padlocks, pliers, and wrenches; iron and steel products, such as bars, shapes, and wire; and manufactured goods, such as enamelware, pottery, fountain pens, thermos bottles, flashlights, aluminum and steel pots, alarm clocks, electric fans, radios, tape recorders, small three-speed phonographs, toys, sewing machines, wrist watches, bicycles, typewriters, adding machines, small electric motors, combs, hair brushes, medicines, chemicals, asphalt, bakelite, glucose, gelatin, and paper and paper board.

Although the Japanese have been the chief, they are not the only exporters suffering from this Chinese Communist offensive. Indian exports of textiles into the Federation of Malaya and Singapore shrank from 18.6 million square yards in the first calendar quarter of 1957 to 6.4 million square

yards in the first 3 months of 1958. Indian textile exports are also under great pressure from Communist Chinese exports in Thailand, Burma, and Indonesia.

The real significance for this panel of the Chinese Communist trade offensive, however, is not in the gains which they have made but in the objectives of their campaign and the methods by which their successes have been achieved. Foreign trade normally increases the welfare of those who participate in it. It is for this reason that the United States Government has for so long actively promoted, through its trade agreements program and the General Agreement on Tariffs and Trade, a continual increase in world trade levels. Trade, however, is not *per se* good; increased trade does not *guarantee* increased welfare. It can be used as an instrument of warfare, and that is how the Chinese Communists have been using it.

I have spoken of hunger exports. I could speak of dumping, which the Chinese Communists have extensively engaged in, apparently pursuant to a consistent policy of undercutting the lowest competitor by 10 percent—or more, if necessary. I could speak of the monopolistic exploitations of which the Chinese state-trading corporations are guilty. I could speak of any number of trading practices which sacrifice welfare to political objectives. I shall, however, confine my remarks to the clearest example of the way in which the Chinese Communists utilize trade for warfare rather than welfare.

This has been the campaign of all-out economic warfare launched by the Chinese Government against the Government of Japan in April 1958, when the Japanese refused to accept a Chinese Communist ultimatum that the Japanese pay an exorbitant political price in order to preserve trade relations with Communist China.

This episode is worth studying as a case study in Chinese Communist tactics. I hope that my friend, Ambassador Asakai, will forgive me for dwelling on it for a moment. Many Japanese honestly believe that trade with Communist China is possible on a welfare basis. Trying to exploit the lively desire of these Japanese to resume their prewar trade with the China mainland, the Chinese Communists had for some time been seeking to bring the Japanese Government to recognize their regime and to break off relations with the

Republic of China—which, by the way, has been a more valuable trade partner to Japan than Communist China. The Chinese Communists sent a stream of “trade delegations” to Japan which invariably held out hopes of a great deal of trade—subject to concessions in the political field. At first it was urged that, if only the so-called “China differential,” which maintained a voluntary system of free-world multilateral controls on strategic trade with Communist China higher than that on the rest of the Soviet bloc, were eliminated, trade would expand. The “China differential” was abolished in July 1957, and trade *dropped* from \$67.3 million in 1956 to \$60.5 million in 1957.

Then after protracted negotiations between representatives of private Japanese trade associations and the Communist Chinese trade authorities, a fourth private trade agreement was signed on March 5, 1958, in Peiping. The agreement provided for total trade amounting to nearly \$200 million during the 1-year period. The Japanese negotiated this agreement in good faith, hoping for a beneficial increase in trade. The Chinese, for their part, seemed interested above all in a memorandum accompanying the agreement which specified that both parties should urge their respective governments to facilitate the execution of the agreement and to grant certain privileges, including the “right” to fly their respective national flags, to members of the respective trade missions. Naturally Japan, which strongly desires to increase trade with all countries, was opposed to the exploitation of trade for the achievement of political objectives. The Japanese therefore agreed to “extend support and cooperation” to the trade associations that would execute the agreement but noted that Japan did not recognize the Chinese Communist Government. It therefore refused to recognize “as a right, the hoisting of the so-called national flag of Communist China over the private trade missions.”

When the Chinese Communists realized that they had failed to back the Japanese Government into diplomatic recognition through a so-called “private” trade agreement, they in effect declared economic war on Japan.

On April 13, just before the Japanese elections, the Chinese Communists denounced the Kishi government, accused it of sabotaging the trade agreement, withdrew its trade offers, and can-

celebrated a 5-year \$280 million barter agreement in force between Communist China and the private Japanese steel industry. Japanese fishing boats were seized off the China coast. Pending trade fairs were canceled. Cultural relations were broken off. The repatriation of Japanese nationals, long held hostages on the China mainland, was stopped. In a short time all trade ground to a halt. Even with trade nonexistent, however, the Chinese Reds continued to exploit trade as a weapon. Following the elections they continued their vicious attacks, accusing Japan, a staunch and independent member of the free-world community, of subservience to United States interests and stigmatizing it as hostile to the Chinese nation and indifferent to the rich prospects of trade with Communist China.

Blatant as was this use of trade as a political weapon, the Chinese Communists went further in economic warfare against Japan. They applied pressure, as they have done before, to the overseas Chinese merchant communities, which occupy positions of economic importance in many Far Eastern countries, demanding a boycott of all Japanese goods. At the same time, Chinese-mainland goods were dumped at prices ranging from 10 to 20 percent below competing Japanese products, in an effort to eliminate Japanese goods from these important markets so as to bring pressure on the Japanese Government. From every part of South Asia evidence is accumulating that Communist Chinese prices are fixed without regard to cost, human or material, to undersell the products of free countries.

Ladies and gentlemen, this is foreign trade used not to promote welfare but to wage warfare.

Implications of Chinese Communists' Trade Warfare

What are the implications of such trade warfare for this group?

As I said earlier, we must agree first on our analysis of the problem and second on a common approach to the problem. On the analytical side can we not agree, despite widespread temptations to hope the contrary, that the record clearly shows that the attitude of Communist China, as of all Communist states, toward foreign trade, is that:

(1) Commercial considerations are subordinate to political goals;

(2) The less a Communist state depends on trade with the free world, the better off it is; and that

(3) Trade with the non-Communist world is simply another form of warfare.

Under these circumstances we must recognize that the free nations *as a whole* have an immense stake in meeting the problem of the expansion of Chinese Communist trade, with its political implications and its demonstrated practice of using trade as a weapon of warfare in Southeast Asia. This can be brought about by both negative and positive measures. On the negative side, the free world still maintains a system of voluntary controls over the exportation to the Sino-Soviet bloc of strategic goods. This should be preserved and strengthened in its effectiveness, lest we contribute to the strength of those who are avowedly hostile to us and our friends. There is also an important task of public enlightenment to be accomplished in every country. The Chinese Communists risk little and often gain much by their dumping in countries with relatively little domestic industry. Consumers receive goods at lower prices, and producer interests suffer little. Nonetheless it is extremely dangerous for government to rely on Communist countries for a regular supply of important goods or consumers to acquire a taste for the products of Communist nations, since they may, like the Japanese, suddenly see their source of supply cut off or maintained only at the cost of important political concessions. In self-defense certain governments are already considering the imposition of quantitative restrictions and antidumping duties on Chinese Communist goods.

Trade Policy for the Free World

These measures, important as they are, however, are negative and defensive in nature, and the free world requires equally effective and more imaginative positive policy.

It should be an important purpose of a group such as this, with its immense resources of corporate know-how and personal acquaintance with Asian economic problems, to suggest ways in which the challenge and thrust of Chinese Communist pressure in the area can be successfully repelled. In the struggle for Asia, the free world is

at a certain disadvantage: It cannot formulate a master design and require the obedience of its constituent parts in accomplishing the plan. The free world must rely on the ingenuity and dynamism of business and government, international and national action. Each must consider what it is best equipped to do.

The list of possibilities is long and ranges from the most pedestrian to the most visionary. Simply for its value in stimulating discussion, and without either endorsement or rejection, we might mention, under economic countermeasures, such things as joint undertakings to favor free-world over Communist suppliers, cooperative private efforts to supply critically needed consumer or capital items at prices and on terms competitive with Communist suppliers, and the encouragement of the adoption by governments of penalties on unfair trade competition. In the field of economic development, steps might include free-world cooperation in supplying private credit, joint government efforts to coordinate national economic planning and bilateral economic development plans, multilateral economic development planning and training programs, and the encouragement of long-range production plans or purchasing contracts for raw materials in order to avoid sharp fluctuations in export incomes in the area.

The Japanese, for their part, have strongly favored the establishment of a regional economic development fund, similar either to that proposed for Latin America or the Near East. The United States, on the other hand, in the absence of any expressed desire on the part of the other nations of this area, has not favored such a fund, which would not in any case add financial resources to the area, but it has encouraged applications to already existing multilateral lending institutions such as the IBRD and the IMF. It has also sought to assure no worthy development project would be permitted to fail for lack of funds to finance it.

Additionally, the United States has told the nations of the Far East, including Japan, that they may seek the assistance of the Export-Import Bank and the DLF as sources of additional financing in promoting economic development in the Far East. We have also agreed to consider in what ways our bilateral aid programs may be coordinated with the various economic programs, including those of the Japanese, in the Far East.

Finally, we have indicated that we sympathize with the Japanese in their unsought role of intended victim of Chinese Communist economic warfare and that we shall assist them in any way compatible with controlling statutes and policies to resist the Chinese Communist campaign to eject them from their traditional markets.

Ladies and gentlemen, what we require to achieve mutual understanding and cooperative action in Asia is what joint action in the face of diverse background, traditions, and immediate interests has always required: an appreciation of the true nature of the problem and the recognition that only in cooperative action is there security. The meaning of the Chinese Communists' trade offensive should by this time be clear to all: However much they speak of welfare, their methods are those of warfare—trade warfare—whose purpose is to pave the way for the only export commodity in which they are really interested, namely, communism. A constant recognition of this fact will assist us not only to design measures for dealing with their methods; it will remind us that Communist tactics whether they be in the field of trade, of propaganda, of infiltration and subversion, or an actual resort to force, as in the Taiwan Strait, have only one end in view, namely, the extinction of human liberties and Communist domination of the world.

NATO Foreign Ministers To Meet at Washington

Press release 558 dated September 24

The U.S. Government has invited the North Atlantic Council to hold the spring meeting of NATO Foreign Ministers at Washington, D. C., from April 2 to 4, 1959. The Council has accepted the invitation.

This will be the regular spring meeting of the Foreign Ministers of the NATO countries.

The regular business meeting of the NATO Foreign Ministers will be concluded on April 4 by appropriate ceremonies in commemoration of the 10th anniversary of the signing of the North Atlantic Treaty. It will be recalled that the North Atlantic Treaty was signed by the 12 original signatories at Washington on April 4, 1949.

NATO: Interdependence in Action

Address by Secretary Dulles¹

The strength of NATO lies in the understanding, and in the faith, of the peoples who make up the member states. Such understanding and faith do not come about automatically. They depend upon knowledge. And assemblies such as this contribute indispensably to that knowledge and help to keep the Atlantic Community a living reality.

Independence and Interdependence

What is NATO? NATO is basically an exercise in interdependence. It is coming more and more to be realized that independence, which each of our nations rightly cherishes, can only be preserved by the practice of interdependence. The early history of our own nation can perhaps guide us even today. Our nation was founded by men of faith who were seeking not just to achieve security for themselves but to conduct a great experiment in human liberty, the impact of which would be felt throughout the world. But the 13 original States could not have performed this mission, or even survived in independence, had they rejected interdependence as between themselves.

The precise federal formula they adopted is, of course, not applicable to the group of 15 nations which make up NATO. But it is imperative that they find some way to apply the truth that, under present world conditions, free nations cannot enjoy the glories of prosperous independence if they neglect interdependence. It is self-evident that no single nation can be truly independent and the master of its own destiny if it stands alone against the massive menace of 900 million people and their military and economic resources, solidified

by international communism into a monolithic, aggressive force dedicated to world domination.

Regional Collective Security

The United Nations was, of course, designed as an effort to achieve worldwide order and security. But we are compelled to recognize that fulfillment of that goal has been seriously obstructed by the policies and conduct of the Soviet Union. Each NATO member of the United Nations strives to play a positive role in the functioning of that organization. But in the face of the defiance of the Soviet-bloc states it has been necessary to supplement the United Nations by other security measures. Such measures take the form principally of regional collective-defense associations such as NATO. These are specifically authorized by the United Nations Charter and supplement, but do not derogate from, the authority of the United Nations. These regional associations, each in accordance with the genius of its group, are indispensable to enable the members adequately to help one another.

Military Interdependence

The interdependence of our nations is most evident in the military field. It would be a grievous burden for all, and impossible for some, to find the funds required to maintain alone the military strength to deter or repel armed aggression. So we have, within NATO, established machinery to share the tasks of defense. Land, sea, and air commands of NATO are effectively organized and well equipped—although not perhaps as fully equipped as purely military considerations would suggest.

¹ Made before the Atlantic Treaty Association at Boston, Mass., on Sept. 27 (press release 566).

As the engines of war grow ever more complicated, they grow ever more expensive and the consequences of their use ever more horrible to contemplate. We do not devote our energies and our resources so wholly to the proliferation of such weapons that we undermine the economies which the weapons are designed to defend. NATO has, however, acquired what George Washington called "a respectable military posture." NATO military power is such as to command the respect of any potential aggressor.

It has not always been easy to sustain this posture, and there are inadequacies. But in the last analysis recognition of our essential interdependence has guided NATO well.

Economic Interdependence

An essential complement to military defense is economic cooperation. Article 2 of the North Atlantic Treaty commits the parties to encourage economic collaboration between them.

Today, despite some specific economic troubles there is a good overall situation on both sides of the Atlantic. Western Europe has fully recovered from war's devastation and there is confident expectation of long-term growth. In 1938 the combined gross national product for the European NATO countries was \$85 billion. In 1957 the comparable figure was \$228 billion. While some of this increase is due to price changes, real growth has been tremendous.

The hopeful economic situation is attributable in no small part to NATO's protective shield. Behind it our peoples are able to pursue their peaceful endeavors.

In addition to general cooperation there have developed in Europe special organs of economic cooperation supplementing the general cooperation of all the members. For example, there is the Organization for European Economic Cooperation (OEEC) and the European Payments Union (EPU). These include some European countries which are not members of NATO. Then there is the community of six, represented by the Coal and Steel Community, EURATOM, and the Common Market.

Such special economic efforts, while they do not precisely coincide with NATO, can fairly be considered, in their present form, to reflect the admonition of the NATO treaty that there should be economic cooperation.

Consolidating the Peace

As we have improved the quality of the shield and the sword that preserve the peace, and as we have, behind that shield, strengthened our economies, we have also worked more closely together in harmonizing our foreign policies. In the last few years the place of political consultations in the North Atlantic Council has become ever more prominent. It is now something unique in history.

We have a high-level Council of Permanent Representatives. This is in virtually continuous session. It regularly considers and helps to coordinate allied policies which deal with matters of direct concern to the organization, notably political and military relations with the Soviet Union.

The United States and others directly involved use the Council as the means of exchanging views with other members with respect to such matters as a possible summit meeting and preparations therefor, the reunification of Germany, the suspension of nuclear tests, the establishment of zones for inspection against surprise attack, and disarmament matters in general.

NATO consultations are, however, not limited to matters which directly affect the treaty area. We have begun the practice of talking over situations anywhere which might have worldwide repercussions. For example, the United States and the United Kingdom discussed in the Council the situation which led them to send troops to Lebanon and to Jordan. The United States has similarly discussed its policies in relation to Formosa and the offshore islands.

Such presentations are not designed to enlarge the treaty area which the members are bound to defend. They result from recognition of the fact that misunderstandings anywhere impair cooperation in the treaty area. Also we know that hostilities anywhere could spread and quickly affect the treaty area. Therefore there is a legitimate desire on the part of all the members to be informed about such situations and to have an opportunity to express their views. Also those who have to take serious responsibilities in other areas welcome the viewpoint of others and the opportunity to promote understanding and unity.

A new development, which reflects this concept of the indivisibility of peace, is the contact being established between the Secretary General of NATO and other regional organizations such as the Southeast Asia Treaty Organization, the

Baghdad Pact, and the Organization of American States. This liaison is still in an early development stage. It is, however, a beginning from which good results can be expected.

Preserving Unity

Despite accomplishments of which we can be proud and which justify our continuing faith, it remains the fact that the unity of NATO is at times disturbed and its future placed in jeopardy. There are sometimes sharp differences within our membership. That unhappily is the case now in relation to Cyprus.

None of the differences which have shaken NATO result from any weakening on the part of the members in their determination to maintain their independence and freedom as against the menace of Soviet communism. But the fact is that communism gains whenever there are differences. Also communism, recognizing such possibilities of gain, always attempts to create and exacerbate differences.

Recognizing this dangerous fact, the NATO Council approved, in December 1956, procedures for the peaceful settlement of intermember disputes. The members were invited to submit disputes between them to good-offices procedures within the NATO framework, and the Secretary General was empowered to offer his good offices informally at any time to the parties in dispute.

Our present Secretary General, the able and distinguished Paul-Henri Spaak, has taken a prominent role in efforts to develop the NATO practices in this respect. It is wholly consistent with independence and interdependence, and vital to the survival of NATO, that procedures be found to assure that NATO will not fall apart because of internal differences.

The Far East

I will now say a few words about the situation in the Far East because it could affect NATO. The basic principle applicable there which is challenged by the Chinese Communists is that international disputes should be settled by peaceful means in such a manner that international peace and security and justice are not endangered. That language derives from article 1 of the United Nations Charter and constitutes article 1 of the North Atlantic Treaty. In Formosa and the Formosa

Straits the Chinese Communists, with Soviet backing, seek by force to enlarge the area of their control and threaten to "expel" the United States from Formosa, which is covered by a collective-security treaty. The United States seeks a solution by peaceful means. If that principle of peaceful settlement is abandoned in the Far East, it is undermined everywhere.

Our NATO partners have a natural concern that the United States should not become so involved in Asia that its contribution to NATO strength would be impaired. We do not expect that to happen.

But something else needs also to be borne in mind. The strength of NATO and the immunity of the NATO area from aggression depend very largely upon what the Soviet leaders consider to be the will of the United States. Is the United States in fact willing to defend territory other than its own, in support of collective security? Mr. Khrushchev in his rejected letter of September 19 to President Eisenhower demanded categorically that the United States should—as he put it—"go home." He said that, if we did not withdraw the forces committed to collective defense with the Republic of China, they would be forcibly expelled.

If the United States should give in to that arrogant demand in Asia, the consequences would be felt in Western Europe.

The Soviet rulers have been seeking intensively to undermine the concept of collective security. They claim that the collective-security arrangements such as NATO are "aggressive groupings." They violently condemn what they call "foreign bases" and the presence of troops upon foreign soil. They now demand that our Navy should be confined to its home waters.

All of this is designed to destroy the basic principles upon which NATO is founded.

It is quite true that that effort at destruction is now concentrated at a point geographically on the other side of the world. The Communists astutely picked a point where the Communists judge retreat was most likely. But nonetheless the principles at stake there are the principles upon which NATO rests. If the principles are not valid and not sustained in Asia, it cannot be confidently assumed that they are valid and will be sustained in Europe.

I am happy to feel that the governments of NATO understand the position we are taking.

They devoutly hope, as does the United States, that there will be a peaceful settlement—but not a surrender of the principles upon which rests all world order.

Of course, the United States has not asked for and does not expect NATO military support in the Formosa area. That would be far beyond any commitment of the North Atlantic Treaty.

Conclusion

The North Atlantic Treaty Organization represents a significant experiment which, we are confident, is proving its worth. In the United States it used to be accepted doctrine that alliances which left each member sovereign were valid only for a period of war and that in times of peace they inevitably broke apart. That theory is, we believe, being disproved in the case of NATO. That is because NATO is now much more than a military alliance. It began with primary emphasis upon the military aspect, and that is still important. But out of the relationship is developing something more, which is proving of great value.

The possibilities inherent in this relationship are not yet by any means fully developed. It is only within the last 2 or 3 years that there has been a serious effort to give NATO much more than the characteristics of a military alliance. What has already been achieved in that short time shows the vast possibilities that lie ahead.

Western civilization has made an immense contribution to the welfare of the whole world. It has been a dynamic force which, on the whole, has reflected an enlightened view of the nature of man and of his God-given right to enjoy life, liberty, and the pursuit of happiness. It has brought to much of the world a knowledge, a political freedom, and an economic opportunity which it had never enjoyed before.

But the mission of the West is not completed. The Atlantic Community has a possibility of further greatly enriching the lives of its own peoples and of others. However, this can never be done unless the West overcomes its great weakness, which has been its disunity. Out of this disunity came wars which have taken the life blood of its finest youth and weakened its economies. A major task of postwar statesmanship has been and is to find ways whereby the West can maintain and

develop solidarity and thus serve itself and the world.

NATO serves that indispensable purpose. Thus it deserves the understanding and support of all who would preserve and carry forward the great traditions of which they are the heirs.

American Foreign Ministers Discuss Common Problems

ANNOUNCEMENT OF MEETING

The Department of State announced on September 19 (press release 545) that an informal meeting of the Foreign Ministers of the American Republics will be held at Washington September 23 and 24. The meeting, which is being held at the invitation of the Secretary of State, will be of a private and informal character for the purpose of exchanging views on current matters of common interest. There will be no formal agenda.

The names of the Foreign Ministers who will attend the meetings are as follows:

Argentina

Carlos A. Florit, Minister of Foreign Affairs and Worship

Bolivia

Victor Andrade, Minister of Foreign Affairs and Worship

Brazil

Francisco Negrão de Lima, Minister of Foreign Affairs

Chile

Alberto Sepulveda Contreras, Minister of Foreign Affairs

Colombia

Julio Cesar Turbay Ayala, Minister of Foreign Relations

Costa Rica

Alfredo Vargas Fernandez, Minister of Foreign Affairs and Worship

Cuba

Gonzalo Guell y Morales de los Rios, Prime Minister and Minister of State

Dominican Republic

Porfirio Herrera Baez, Secretary of State for Foreign Affairs

Ecuador

Carlos Tobar Zaldumbide, Minister of Foreign Affairs

El Salvador

Alfredo Ortiz Mancla, Minister of Foreign Affairs

Guatemala

Jesus Victor Unda Murillo, Minister of Foreign Relations

Haiti

Louis Mars, Secretary of State for Foreign Affairs and Worship

Honduras

Andres Alvarado Puerto, Minister of Foreign Affairs

Mexico

Luis Padilla Nervo, Minister of Foreign Relations

Nicaragua

Alejandro Montiel Arguello, Minister of Foreign Affairs

Panama

Miguel J. Moreno, Jr., Minister of Foreign Relations

Paraguay

Raul Sapena Pastor, Minister of Foreign Relations

Peru

Raul Porras Barrenechea, Minister of Foreign Affairs

Uruguay

Oscar Secco Ellauri, Minister of Foreign Affairs

Venezuela

Rene de Sola, Minister of Foreign Affairs

The Foreign Ministers will arrive on September 22 from New York, where they are attending the 13th session of the U.N. General Assembly. Their program will include, in addition to the scheduled meetings, a luncheon given in their honor by President Eisenhower at the White House, a dinner at which Secretary Dulles will be their host, and a luncheon given by the chairman and members of the Council of the Organization of American States.

TEXT OF COMMUNIQUE¹

The Foreign Ministers of the 21 American Republics met informally in Washington on September 23 and 24, at the invitation of the Secretary of State of the United States, and discussed important current questions of common interest. In three sessions, the Foreign Ministers exchanged views regarding inter-American relations and problems, particularly those of an economic nature, and also reviewed the international scene.

The Ministers recognize that in the history of the world, the solidarity of the American States has been of great importance, and that at the present time it acquires special significance. They

reaffirm that solidarity, which is founded on the principles of the Charter of the Organization [of American States]. The present period of evolutionary change in the political, economic and social structure of society calls for a renewed dedication to the inter-American ideals of independence, political liberty, and economic and cultural progress, and for a reaffirmation of the faith of the American nations in their capacity to proceed dynamically toward the realization of those high ideals.

The Ministers are confident that their exchange of views and informal conversations will have fruitful results. They agree to recommend that their governments instruct their representatives on the Council of the Organization of American States to consider the desirability of holding more frequently similar informal meetings of Foreign Ministers and other high-ranking government representatives.

The Ministers are of the opinion that, in keeping with the aspirations and needs of the peoples of America expressed on numerous occasions, action to promote the greatest possible economic development of the continent must be intensified. They are certain that a harmonious and carefully planned joint effort to that end will contribute enormously to strengthening the solidarity of the hemisphere and to the well-being of all Americans.

The Foreign Ministers are deeply gratified at the affirmation made by President Eisenhower, that the Government of the United States is prepared to lend its full cooperation in achieving concrete results in the common effort to promote the economic development of the American countries, for it considers that peace, prosperity and security are in the end, indivisible.

They furthermore consider that this is the proper time to review and strengthen inter-American cooperation in the economic field, as has been suggested by President Kubitschek² and in the proposals of various American Governments. The Ministers recommend that, during the coming period before the Eleventh Inter-American Conference, special attention be given to working out additional measures of economic cooperation taking as the point of departure the six topics proposed by the Government of Brazil in its

¹ For an exchange of correspondence between President Eisenhower and President Juscelino Kubitschek of Brazil, see BULLETIN of June 30, 1958, p. 1090.

memorandum of August 9, 1958 concerning the plan known as "Operation Pan America", any other specific topics that the other governments of the Republics of the hemisphere may wish to submit in connection with the general topic under consideration, namely, the promotion of economic development, and the following topic proposed by the Foreign Minister of Argentina:

Preparation and immediate execution of a broad hemispheric program to train experts for economic development, chiefly in the fields of engineering, agronomy, industrial engineering, economics, public administration, and business administration.

For this purpose and to facilitate other informal talks, the Ministers are of the opinion that the Council of the Organization of American States should set up a Special Commission of the Council on which the governments of the 21 American Republics would be represented. As the Commission reaches conclusions regarding measures that might be taken, it should submit its reports to the Council of the Organization. Then the necessary action may be taken to have those proposals or measures carried out through the organs of the Organization, or directly by the governments, as may be appropriate.

Also, the Ministers are of the opinion that practical measures may be taken now in connection with certain specific proposals. These are:

1. The establishment of an inter-American economic development institution in which all the American countries would participate. For this purpose the Inter-American Economic and Social Council should convene as soon as possible a specialized committee of government representatives, as recommended in Resolution XVIII of the Buenos Aires Economic Conference. It is recommended that this committee meet in continuous session until it completes draft articles of the agreement for the proposed institution, which will be signed at a later date.

2. Intensification of efforts to establish regional markets in Latin America. It would be well for the governments directly concerned and the international organizations directly interested, chiefly the Organization of American States, the Economic Commission for Latin America, and the Organization of Central American States, to expedite their studies and concrete measures di-

rected toward the establishment of regional markets in Central and South America. The Ministers suggest that a report on this important project be submitted to the members of the OAS not later than the Eleventh Inter-American Conference. In this connection the Ministers note that the United States Government has made known that it is prepared to assist financially in the establishment of solvent industries, through appropriate agencies, under suitable conditions, with a view to promoting enjoyment of the benefits of regional markets through public and private investment.

The Ministers again express their constant concern about the problems of markets for basic products. They are in agreement that the economic structure of the majority of the American Republics requires that solutions to these problems be sought urgently, for which purpose consultations should be carried out between the interested members of the Organization of American States, on bilateral and multilateral bases, as well as with the producer and consumer countries of other geographic areas.

In concluding this communiqué, the Ministers expressed that there prevailed at this meeting an atmosphere of frankness, sincerity, and understanding which contributed greatly to the establishment of a feeling of confidence that the important tasks being started at this time will be completed successfully.

ICA Allocates Aid for Civilians on Chinese Offshore Islands

Press release 562 dated September 26

The International Cooperation Administration has authorized its mission at Taipei to use local currency, equivalent to \$180,000, for civilian relief on the offshore islands in the Taiwan Straits, including Quemoy and Matsu. Quemoy has been subjected to intensive artillery bombardment by the Chinese Communists since August 23, 1958.

The action was taken at the request of the Ministry of Interior of the Republic of China. The relief work will be handled by the Free China Relief Association in cooperation with Taiwan officials and the Chinese-American Joint Commission on Rural Reconstruction, the organization

directing U.S. technical and economic aid to the Republic of China.

Much of the money will be used to assist inhabitants of the islands to strengthen their air raid shelters, provide temporary housing for persons whose homes have been destroyed by Communist shelling, and for medical supplies, including first-aid kits. This unprovoked shelling has been characterized by a Chinese general officer as a "shameful act of wanton cruelty." Over 250 civilians have been killed or wounded by Communist shellfire in the 1-month period. About 1,900 civilian houses have been totally destroyed and 1,800 partially destroyed in the same period.

Some funds may be used to build up an emergency stockpile of civilian foodstuffs, including rice, flour, and cooking oil, although the Chinese director of agricultural extension and 4-H Club work on Quemoy has reported that the people at present do not need to worry seriously about food supplies.

Visit of Prime Minister of Cambodia

Press release 565 dated September 27

Prince Norodom Sihanouk, Prime Minister of Cambodia and head of the Cambodian delegation to the United Nations General Assembly, will arrive at Washington September 28 for an unofficial visit.

After a luncheon at the White House on September 30 with President Eisenhower, Prince Sihanouk will meet with Secretary Dulles. In the evening the Prince will be host at a dinner in honor of the Secretary. During the week Prince Sihanouk will talk with officials of the Department of State and other Government agencies. He also will lay a wreath at the Tomb of the Unknown Soldier. On October 3 Nong Kimny, Ambassador of Cambodia, will be host at a reception in honor of the Prince.

The Royal Court ballet will perform at Prince Sihanouk's dinner in honor of the Secretary and at the Cambodian Ambassador's reception. The ballet includes a son and a daughter of Prince Sihanouk.

On conclusion of his Washington visit Prince Sihanouk will return to New York to resume his

responsibilities as head of the Cambodian delegation at the United Nations General Assembly.

United States and Soviet Union To Exchange National Exhibits

DEPARTMENT ANNOUNCEMENT

The State Department announced on September 15 (press release 538) an agreement with the Soviet Government for an exchange of national exhibitions in the summer of 1959.

This exchange is in accordance with section XIII of the U.S.-U.S.S.R. exchange agreement of January 27, 1958,¹ negotiated by Ambassadors W. S. B. Lacy and Georgi Zaroubin, wherein it was agreed in principle that exhibits are an effective means of developing mutual understanding between the peoples of the United States and the Soviet Union.

The American exhibit, which will be staged in Gorki Park, Moscow, will be the first major one ever held in the Soviet Union under U.S. Government auspices. The Soviets will hold their exhibit in the New York Coliseum. Both exhibits will open in early summer.

Several agencies of the U.S. Government will assist in organizing the Gorki Park exhibit, and the U.S. Information Agency has been designated to coordinate it. It is expected that American private industry will participate.

The agreement, which was signed for the Soviet Embassy by Vladimir S. Alkhimov, Commercial Counselor, and for the Department of State by Frederick T. Merrill, Director of East-West Contacts, provides that each exhibit will be devoted on a reciprocal basis to the demonstration by each country of its development in science, technology, and culture. The details remain to be worked out.

TEXT OF AGREEMENT

Referring to Section XIII (1) of the U.S.-U.S.S.R. Agreement, signed January 27, 1958, on exchanges in the field of culture, technology, and education and to the Aide-Memoire dated July 7, 1958, from the Embassy of the Union of Soviet Socialist Republics to the Depart-

¹ For text, see BULLETIN of Feb. 17, 1958, p. 243.

ment of State of the United States of America, the Embassy of the U.S.S.R. and the Department of State hereby agree to the exchange on a reciprocal basis of exhibits devoted to the demonstration of the development of science, technology, and culture, in accordance with the above-mentioned Agreement. It has been agreed that the American exhibit in Moscow and the Soviet exhibit in New York be held in the summer of 1959, further details to be decided upon at the working level between appropriate organizations and representatives of the two parties concerned, which would be authorized to organize the above-mentioned exhibits.

FREDERICK T. MERRILL,
*Department of State of the
United States of America*

V. ALKHMIOV
*Embassy of the
Union of Soviet Socialist Republics*

WASHINGTON, September 10, 1958

EX. No. 79

Soviet Oceanographic Vessel To Call at U.S. Ports

Press release 549 dated September 22

The Department of State on September 22 informed the Soviet Embassy that the U.S. Government would permit the Soviet oceanographic survey vessel *Vityaz* to call at San Francisco in November and Honolulu in December 1958 for the purpose of replenishing its stores of fresh water, fuel, and food products and to allow scientific personnel and officers and men of the ship's crew to go ashore. The *Vityaz* is engaged in scientific investigations in the North and South Pacific Oceans which are a part of the program of the International Geophysical Year. It is assumed that the data collected will be made available to scientists of the other nations participating in the IGY.

West Germany's Decision To Limit Coal Imports Discussed

Press release 554 dated September 23

Under Secretary of State Herter and Acting Assistant Secretary for Economic Affairs W. T. M. Beale on September 23 received a committee of the U.S. Coal Exporters Association in connection with the recently announced decision of the West

German Government to restrict coal imports into the Federal Republic. During the meeting the export association committee was informed of the representations made to the Federal German Government.

Discussions are taking place at Bonn between representatives of the American Embassy and the German Federal Republic concerning the German action announced September 2, 1958, to limit the conclusion of new coal import contracts. From these discussions it is understood that this action was taken as a temporary measure on the ground that a further increase of imports would threaten the German coal mining industry with widespread unemployment in view of (a) already existing import contracts involving about 40 million tons of American coal and (b) the very large coal stocks on hand at the mines and in the possession of German consumers, particularly industrial consumers.

Representatives of the Federal Government pointed out that there was no intention of interfering with already existing coal import contracts. The importation of American coal may, therefore, continue. German authorities are at present gathering further detailed data in order to obtain as complete a picture as possible of the total volume of coal involved in contracts already concluded. On the basis of these discussions with the German authorities, it is expected that the limitations on German coal imports will be eliminated as soon as the coal stocks are brought down to manageable levels.

U.S. officials have emphasized that the German action in placing coal imports under quantitative restrictions could be seriously prejudicial to the U.S. coal industry and that the question of the consistency of this action with the General Agreement on Tariffs and Trade is now under study. The German Government has sent a statement concerning its action to the GATT Secretariat for circulation to all contracting parties.

In the meantime, discussions between U.S. and German authorities are continuing at Bonn with a view to obtaining the removal of these temporary restrictions on contracts for U.S. coal exports to Germany after the reduction of the coal stockpiles.

The U.S. Coal Exporters Association committee was made up of the following members:

S. P. Hutchinson, General Coal Company, Philadelphia, Pa.

D. T. Buckley, Castner, Curran & Bullitt, Inc., New York, N.Y.
J. W. Haley, Jewell Ridge Coal Corporation, Washington, D.C.
P. F. Masse, C. H. Sprague & Son Company, Inc., New York, N.Y.
J. S. Routh, Routh Coal Export Corporation, New York, N.Y.

President Limits Imports of Lead and Zinc

White House (Newport, R. I.) press release dated September 22

WHITE HOUSE ANNOUNCEMENT

The President on September 22 agreed with the unanimous finding of the U.S. Tariff Commission that escape-clause relief is warranted in the case of lead and zinc. To provide an appropriate and immediate remedy, the President issued a proclamation limiting imports by an annual quota equivalent in amount to 80 percent of average annual commercial imports during the 5-year period 1953-57. The quota is allocated among exporting countries and subdivided by calendar quarters and by tariff-scheduled classifications.

In identical letters to the chairmen of the Senate Finance and House Ways and Means Committees, the President recognized that "the imposition of quotas is an unusual step, but it is better suited than a tariff increase to the unique circumstances of the case and more likely to lead to enduring solutions beneficial to the entire lead and zinc industry." He agreed with the Tariff Commission with respect to the distressed condition of domestic producers and pointed out that the proclaimed import limitation, which represented an equitable approach to a worldwide problem, should be of real benefit to the lead and zinc industry. As our economy moves upward, he pointed out, that benefit should increase.

The President's letter also emphasized the importance to friendly countries of their exports to us, the worldwide nature of the present condition of lead and zinc overproduction, and the need for sharing the burdens of this problem. The United States has been discussing this problem with other countries, and the President is hopeful that mutually acceptable solutions can be found.

Meanwhile, the proclamation provides immediate relief for this problem which the President has several times set before the Congress. In 1957 the administration presented a long-range minerals program, but it was not enacted. During the past legislative session, the administration proposed a domestic minerals stabilization plan which would have assisted not only the lead and zinc industry but also domestic producers of copper, acid-grade fluorspar, and tungsten. In suspending action on the Tariff Commission report last June, the President stressed the problems and urgent needs of domestic minerals producers.¹ The letter noted that the Congress did not enact that plan for promoting a healthy and vigorous mining industry.

The proclamation of September 22 was issued pursuant to section 7 of the Trade Agreements Extension Act of 1951, as amended. That provision authorizes import restrictions to remedy serious injury or the threat of serious injury as determined by the U.S. Tariff Commission. The Commission reported its unanimous finding of injury on April 24, 1958.² The report contained alternative remedial recommendations. Three Commissioners proposed a restoration of the tariff rates provided in the Tariff Act of 1930. The remaining three Commissioners favored a larger tariff increase together with quantitative limitations.

LETTER TO CONGRESSIONAL COMMITTEES³

SEPTEMBER 22, 1958

DEAR MR. CHAIRMAN: In my letter to you of June 19, 1958, I stated that I was suspending consideration of the recommendations of the United States Tariff Commission in Escape-Clause Investigation No. 65 on lead and zinc. I pointed out that a final decision would be appropriate after the Congress had completed its consideration of the proposed Minerals Stabilization Plan. The Congress did not, as you know, enact this Plan.

After full consultation with the Trade Policy Committee and other interested agencies of the

¹ BULLETIN of July 14, 1958, p. 69.

² Copies of the Commission's report may be obtained from the U.S. Tariff Commission, Washington 25, D.C.

³ Addressed to Harry Flood Byrd, chairman of the Senate Committee on Finance, and Wilbur D. Mills, chairman of the House Ways and Means Committee.

Executive Branch, I have decided to accept the unanimous findings of the Tariff Commission respecting injury. There is no doubt that the domestic producers are in genuine distress. They have substantially curtailed their production, and large commercial stocks have accumulated within this country. At the same time, the prices of both lead and zinc have declined and, despite decreased demand, import levels have remained high.

In seeking a solution which will afford adequate relief to the domestic industry, I am also conscious of the importance to the economies of friendly countries of exports of lead and zinc to the United States. There is no doubt that in the long term the United States will continue to be an important market for lead and zinc producers abroad. With these considerations in mind, and with the aim of finding a way to share with exporting countries the burdens caused by the present condition of world over-production, representatives of this Government have recently participated in discussions of this problem with other nations. I am hopeful that, with the good will and cooperation of all major exporting and importing countries, mutually acceptable solutions can be found.

Meanwhile, the condition of the domestic producers admits of no further delay in taking remedial measures. After a careful examination of the Commission's report, including its alternative proposals for meeting the problem, I have decided to establish a quota limiting imports to eighty percent of average annual commercial imports during the five years 1953-57, as set forth in the attached copy of my Proclamation of today. This quota is allocated by countries and represents an equitable approach to a difficult problem affecting many sources of supply.

I recognize that the imposition of quotas is an unusual step, but it is better suited than a tariff increase to the unique circumstances of the case and more likely to lead to enduring solutions beneficial to the entire lead and zinc industry. These limitations represent a twenty percent reduction from the level of average annual imports during the last five years. This action should be of real benefit to the lead and zinc industry, and that benefit should increase as our economy moves upward.

Sincerely,

DWIGHT D. EISENHOWER

PROCLAMATION 3257¹

MODIFICATION OF TRADE AGREEMENT CONCESSIONS AND IMPOSITION OF QUOTAS ON UNMANUFACTURED LEAD AND ZINC

1. WHEREAS, pursuant to the authority vested in him by the Constitution and the statutes, including section 350 of the Tariff Act of 1930, as amended (19 U. S. C. 1351), the President, on October 30, 1947, entered into a trade agreement with foreign countries, which consists of the General Agreement on Tariffs and Trade and the related Protocol of Provisional Application thereof, together with the Final Act Adopted at the Conclusion of the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment (61 Stat. (Parts 5 and 6) A 7, A 11, and A 2051), and, by Proclamation No. 2761A of December 16, 1947 (61 Stat. (Part 2) 1103), proclaimed such modifications of existing duties and other import restrictions of the United States and such continuance of existing customs or excise treatment of articles imported into the United States as were then found to be required or appropriate to carry out that agreement on and after January 1, 1948;

2. WHEREAS, pursuant to the said authority, the President, on April 21, 1951, entered into a trade agreement consisting of the Torquay Protocol to the General Agreement on Tariffs and Trade, including the annexes thereto (3 UST (Part 1) 588), and, by Proclamation No. 2929 of June 2, 1951 (3 CFR, 1951 Supp., p. 27), proclaimed such modification of existing duties and other import restrictions of the United States and such continuance of existing customs or excise treatment of articles imported into the United States as were then found to be required or appropriate to carry out that agreement on and after June 6, 1951, which proclamation has been supplemented by several notifications of the President to the Secretary of the Treasury, including a notification dated June 2, 1951 (3 CFR, 1951 Supp., p. 530);

3. WHEREAS the second item 394 in Part I of Schedule XX annexed to the agreement referred to in the first recital of this proclamation (61 Stat. (Part 5) A 1219) reads as follows:

Tariff act of 1930, paragraph	Description of products	Rate of duty
394	Old and worn-out zinc, fit only to be remanufactured, zinc dross, and zinc skimmings.	¾ cent per pound.

4. WHEREAS item 391, the first item 392, item 393, and item 394 in Part I of Schedule XX annexed to the trade agreement referred to in the second recital of this proclamation (3 UST (Part I) 1167), read, respectively, as follows:

¹ 23 Fed. Reg. 7475.

Tariff act of 1930, paragraph	Description of products	Rate of duty
391	Lead-bearing ores, flue dust, and mattes of all kinds.	¾ cent per pound on lead content.
392	Lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, antimonial scrap lead, type metal, Babbitt metal, solder, all alloys or combinations of lead not specially provided for.	1½ cents per pound on lead content.
393	Zinc-bearing ores of all kinds, except pyrites containing not over 3% of zinc.	0.6 cent per pound on zinc content.
394	Zinc in blocks, pigs, or slabs, and zinc dust...	0.7 cent per pound.

5. WHEREAS, in accordance with Articles II and XI of the said General Agreement on Tariffs and Trade, the United States customs treatment reflecting the concessions granted in the said trade agreements with respect to the articles described in the items reproduced in the third and fourth recitals of this proclamation has been the application of the respective rates of duty specified in such items, without quantitative limitation;

6. WHEREAS the United States Tariff Commission has submitted to me a report of its Investigation No. 65 under section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C. 1364), as a result of which the Commission has found that the articles described in the said items (except Babbitt metal, solder, and zinc dust) are, as a result in part of the customs treatment specified in the fifth recital of this proclamation, being imported into the United States in such increased quantities, both actual and relative, as to cause serious injury to the domestic industries producing like or directly competitive products;

7. WHEREAS I find that the modifications of the concessions granted in the said agreements with respect to such articles to permit the application to such articles of the customs treatment hereinafter proclaimed is necessary to remedy the serious injury to the domestic industries producing like or directly competitive products;

8. WHEREAS the said section 350 of the Tariff Act of 1930, as amended, authorizes the President to proclaim such modifications of existing duties and such additional import restrictions as are required or appropriate to carry out any foreign trade agreement that the President has entered into under the said section 350; and

9. WHEREAS, upon modification of the said concessions as hereinafter proclaimed, it will be appropriate, to carry out the General Agreement on Tariffs and Trade, to apply to the said articles the customs treatment hereinafter proclaimed:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, acting under the authority vested in me by section 350 of the Tariff Act of 1930, as amended, and by section 7 (c) of the Trade Agreements Extension Act of 1951, as amended, and in accord-

ance with the provisions of Article XIX of the said General Agreement on Tariffs and Trade, do proclaim as follows:

(a) Item 391, the first item 392, item 393, and item 394, referred to in the fourth recital of this proclamation, shall each be modified, effective October 1, 1958, so as to read, respectively, as follows:

391

Lead-bearing ores, flue dust, and mattes of all kinds.

¾ cent per pound on lead content.

Whenever, in any three-month period beginning October 1 in 1958, and January 1, April 1, July 1, and October 1 in any subsequent year—

(1) the dutiable lead content (as shown on the entry in accordance with the applicable customs regulations) of lead-bearing ores, flue dust, and mattes the product of a country specified below, entered, or withdrawn from warehouse, for consumption, and

(2) the dutiable lead content (as shown on the warehouse withdrawal for consumption in accordance with the applicable customs regulations) of lead-bearing ores, flue dust, or mattes the product of such country, with respect to which duty was collected under section 312 of the Tariff Act of 1930 upon withdrawal for consumption from customs bonded warehouse of "metal producible" within the meaning of the said section 312,

are determined by the Secretary of the Treasury of the United States to have reached the aggregate quantity specified below for such country, no lead-bearing ores, flue dust, or mattes the product of such country may be entered, or withdrawn from warehouse, for consumption during the remainder of such period; and no article may be withdrawn for consumption from any customs bonded warehouse during the remainder of such period if by reason of such withdrawal duty would become collectible under section 312 of the Tariff Act of 1930 in cancellation of a bond charge covering any lead-bearing ore, flue dust, or matte the product of such country:

	<i>Short tons</i>
Peru	8,080
Union of South Africa	7,440
Canada	6,720
Australia	5,040
Bolivia	2,520
All other foreign countries (total)	3,280

The foregoing quantitative restrictions shall not apply to any ore, flue dust, or matte the lead content of which is not subject to duty or which contains less than two per centum of lead (whether or not the lead content thereof is subject to duty); to any article imported by or for the account of the Government of the United States; or to any imported article which is under contract for delivery in the United States for the account of a corporation wholly owned by the Government of the United States.

392

Lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, antimonial scrap lead, type metal, Babbitt metal, solder, all alloys or combinations of lead not specially provided for.

1½ cents per pound on lead content.

Whenever, in any three-month period beginning October 1 in 1958, and January 1, April 1, July 1, and October 1 in any subsequent year, the dutiable lead content (as shown on the entry in accordance with the applicable customs regulations) of the articles described above in this item (except Babbitt metal and solder) the product of a country specified below, entered, or withdrawn from warehouse, for consumption, is determined by the Secretary of the Treasury of the United States to have reached the aggregate quantity specified below for such country, no such articles the product of such country may be entered, or withdrawn from warehouse, for consumption during the remainder of such period:

	Short tons
Mexico	18,440
Australia	11,840
Canada	7,960
Yugoslavia	7,880
Peru	6,440
All other foreign countries (total)	3,040

The foregoing quantitative restrictions shall not apply to any article described in this item which is not subject to duty; to any such article imported by or for the account of the Government of the United States; or to any imported article which is under contract for delivery in the United States for the account of a corporation wholly owned by the Government of the United States.

393 Zinc-bearing ores of all kinds, except pyrites containing not over 3% of zinc.

0.6 cent per pound on zinc content.

Whenever, in any three-month period beginning October 1 in 1958, and January 1, April 1, July 1, and October 1 in any subsequent year

(1) the dutiable zinc content (as shown on the entry in accordance with the applicable customs regulations) of zinc-bearing ores the product of a country specified below, entered, or withdrawn from warehouse, for consumption, and

(2) the dutiable zinc content (as shown on the warehouse withdrawal for consumption in accordance with the applicable customs regulations) of zinc-bearing ores the product of such country, with respect to which duty was collected under section 312 of the Tariff Act of 1930 upon withdrawal for consumption from customs bonded warehouse of "metal producible" within the meaning of the said section 312,

are determined by the Secretary of the Treasury of the United States to have reached the aggregate quantity specified below for such country, no zinc-bearing ores the product of such country may be entered, or withdrawn from warehouse, for consumption during the remainder of such period; and no article may be withdrawn for consumption from any customs bonded warehouse during the remainder of such period if by reason of such withdrawal duty would become collectible under section 312 of the Tariff Act of 1930 in cancellation of a bond charge covering any zinc-bearing ore the product of such country:

	Short tons
Mexico	35,240
Canada	33,240
Peru	17,560
All other foreign countries (total)	8,920

The foregoing quantitative restrictions shall not apply to any ore the zinc content of which is not subject to duty or which contains less than one per centum of zinc (whether or not the zinc content thereof is subject to duty); to any article imported by or for the account of the Government of the United States; or to any imported article which is under contract for delivery in the United States for the account of a corporation wholly owned by the Government of the United States.

394 Zinc in blocks, pigs, or slabs, and zinc dust.

0.7 cent per pound.

Whenever, in any three-month period, beginning October 1 in 1958, and January 1, April 1, July 1, and October 1 in any subsequent year, the total aggregate quantity of the articles described above in this item (except zinc dust) and in the second item 394 in Part I of Schedule XX annexed to the General Agreement on Tariffs and Trade as authenticated on October 30, 1947 (old and worn-out zinc, fit only to be remanufactured, zinc dross, and zinc skimmings), the product of a country specified below, entered, or withdrawn from warehouse, for consumption, is determined by the Secretary of the Treasury of the United States to have reached the aggregate quantity specified below for such country, no such articles the product of such country may be entered, or withdrawn from warehouse, for consumption during the remainder of such period:

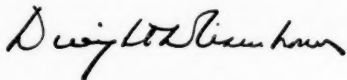
	Short tons
Canada	18,920
Belgium and Luxembourg (total)	3,760
Mexico	3,160
Belgium Congo	2,720
Peru	1,880
Italy	1,800
All other foreign countries (total)	3,040

The foregoing quantitative restrictions shall not apply to any article described in this item which is not subject to duty; to any such article imported by or for the account of the Government of the United States; or to any imported article which is under contract for delivery in the United States for the account of a corporation wholly owned by the Government of the United States.

(b) The articles described in the said items entered, or withdrawn from warehouse, for consumption on or after October 1, 1958, and until the President otherwise proclaims, shall be subject to the quantitative limitations specified in the said items, as modified by paragraph (a) above, except that no such quantitative limitation shall be applied to any article described in item 392 or item 394 or in clause numbered (1) of item 391 or clause numbered (1) of item 393 which was exported to the United States prior to the date of this proclamation.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this twenty-second day of September in the year of our Lord nine-
[SEAL] teen hundred and fifty-eight, and of the Independence of the United States of America the one hundred and eighty-third.



By the President :

JOHN FOSTER DULLES

Secretary of State

Foreign Relations Aspects of Lead and Zinc Problem

by Thomas C. Mann

Assistant Secretary for Economic Affairs¹

The lead and zinc industry throughout the free world is faced with an immediate problem of a serious imbalance between production and demand. The principal causes of this imbalance are obvious. The high level of demand and prices during and after the Second World War, and again in the Korean conflict, stimulated production both in the United States and elsewhere. United States Government acquisition for our strategic and supplementary stockpiles helped to absorb the excess production, and the completion of that program, coinciding as it did with an economic recession, had the combined effect of sharply reducing the total volume of world demand.

Notwithstanding these factors, nearly all producing countries, including the United States, continued to produce at high levels throughout most of 1957. By 1958 the dimensions of the problem were clear to all with the inevitable signs of imbalance—falling prices and the accumulation of large inventories. Under these market pressures, United States producers cut back production by about 25 percent, but unfortunately the level of imports remained at high levels and production in some countries continued to expand.

¹ Address made before the American Mining Congress at San Francisco, Calif., on Sept. 23 (press release 551).

Economic Consequences to Domestic Industry

I do not need to describe to this gathering the economic consequences to the domestic industry of this imbalance between supply and demand. They include unemployment, the shutting down of some mines and the curtailment of production to uneconomic levels in others, accumulation of large commercial stocks, and falling prices. The plight of the domestic industry in turn affected not only those directly employed in the mines and smelters but entire communities dependent on the industry.

These trends were known to the United States Tariff Commission when it made its unanimous finding of injury. There was, moreover, the broader national interest to be considered: Entirely apart from purely economic considerations, healthy industry is important to our national economy.

But there is another side to this coin. The imbalance between supply and demand is not just a United States problem. It is a world problem. Difficulties resulting from industry dislocations have occurred not only in the United States; they have occurred in other countries too. The lead and zinc industry in some countries constitutes an even more important segment of their total economies than it does in ours. It is not an exaggeration to say that for some, already beset with serious problems of declines in price and demand for other primary commodities, trade in lead and zinc can be the decisive factor in their ability to maintain viable economies.

Most of us now accept the fact that we live, more than ever before, in an interdependent world where social, political, and economic problems are so interrelated as to be indivisible. We cannot, without the direst consequences, insulate ourselves against the distress of others. I hope that the lessons of the early 1930's, when we learned that trade barriers impeded rather than aided economic recovery, will not be soon forgotten. We learned then that the consequences of such a policy were disastrous for industries, for the national economy, and, as well, for free-world strength and unity.

Search for Solution to Problem

It has been for these reasons of enlightened self-interest that our Government has consistently

sought for solutions that will meet the needs of the domestic industry with due regard for the needs of other economies. You will recall that, in 1954, when the Tariff Commission in an escape-clause action found injury, the President decided upon a stockpiling program which had the effect of withdrawing excess inventories from the market. In 1958, when the Tariff Commission again found injury, the minerals stabilization plan was proposed to our Congress as an alternative to tariffs and quotas. When that plan was defeated by a narrow margin, the Department of State promptly consulted with a number of countries interested in lead and zinc, both in bilateral discussions and in the international meeting which took place in London recently, in an effort to find an effective formula which would be acceptable to all.

These discussions did not result in unanimous agreement on all issues. But they did reveal that a majority recognized that the task of bringing production and demand into some degree of order and balance must be faced. This would take time and would require difficult adjustments in many countries. They also revealed a majority sentiment in favor of the creation of an international study group to study the problem in all of its aspects and to explore the possibility of finding economically sound ways of dealing effectively with the problem.

The London conference has requested all interested governments to state not later than October 15, 1958, whether they will participate in these exploratory discussions. We intend to reply in the affirmative. If these exploratory discussions should be held, as I hope they will be, I should hope that the lead and zinc industry would welcome the prospect of coordinated multilateral action to at least diminish the severity of "boom" and "bust" cycles which have been so common in past years and of giving the world industry at least a measure of enduring stability without sacrifice of the essential needs of industries and economies at home or abroad. We recognize that this road will not be easy and that there are many difficulties to be overcome. We hope that we may have your advice and help each step of the way. And we can

be encouraged in this task by prospects of an increased demand for lead and zinc in the United States market, by our knowledge that the United States will be a growing market, and by the fact that we will continue to be dependent on imports to a substantial degree.

The long-term prospects, favorable as they are, are not an answer to the present emergency. As Secretary [of the Interior Fred A.] Seaton has already informed you, the President, acting on the findings of the Tariff Commission, has decided in favor of a quota allocated by countries on a quarterly basis. There are a number of reasons why quotas are more appropriate than tariffs in this unique situation. First is the circumstance that multilateral discussions are already under way in search of a solution to the long-term problem of chronic imbalance between production and demand. Quotas, whether they be export or import, are consistent with the suggestions for voluntary export quotas made in the course of these discussions and are a sign of our intention to seek multilateral solutions. Second, quotas in this situation will help, better than any available alternative, to stabilize prices which will benefit not only domestic producers but foreign producers as well. Third, quotas avoid the necessity of the foreign producer having to absorb the cost of increased tariffs and thus will allow the foreign suppliers a larger part of the proceeds of their sales in the United States market. This is a factor of considerable importance to exporting countries faced with balance-of-payments difficulties. Fourth, quotas assure all countries a definite market in the United States during the emergency, based on their average commercial exports to the United States during the last 5 years. And, finally, it has the aspect, allowing of course for a margin of error in estimates of United States consumption in the coming months, of encouraging equitable distribution of the burden of readjustment.

Thus, the action we have taken aims to meet the urgent needs of the domestic industry, on the one hand, and, on the other, to share the burdens and difficulties resulting from world industry imbalances with our friends and allies in keeping with United States traditions.

General Assembly Again Rejects Indian Proposal To Consider Question of Representation of China

Following are two statements made by Henry Cabot Lodge, U.S. Representative to the United Nations, during debate on an Indian proposal to include in the agenda of the 13th General Assembly an item entitled "The Question of the Representation of China in the United Nations."

STATEMENT IN GENERAL COMMITTEE, SEPTEMBER 19

U.S. delegation press release 2995

Mr. President, although we have arguments of an overwhelmingly persuasive character, I am mindful of the admonition which you made to us at the opening meeting that we should confine ourselves to procedural arguments entirely here and totally to avoid substance. Therefore, with great respect, I shall not go into the substance of this question here at this procedural meeting and also why this year, of all years, is the year not to take the type of action which the distinguished representative of India proposes.

As in years past, the delegation of India has requested the inclusion in our agenda of an item entitled "The Question of the Representation of China in the United Nations." We believe that this request should be rejected. We have made known our views before and will do so again at the proper time, together with added reasons which have come about because of recent developments. We believe that the General Assembly should adopt a decision not to consider this matter during its 13th regular session.

With these views in mind, the United States proposes that the General Committee recommend to the Assembly the adoption of the following

proposal: (Let me say before I read it that a copy of this is being circulated to all members and it is the same proposition as the one that has been before us before.)

The General Assembly,

(1) *Decides* to reject the request of India for the inclusion in the agenda of its thirteenth regular session of the item entitled: Question of the Representation of China in the United Nations; and

(2) *Decides* not to consider, at its thirteenth regular session, any proposals to exclude the representatives of the Government of the Republic of China or to seat representatives of the Central People's Government of the People's Republic of China.

Let me say, Mr. President, that there is very ample precedent for this procedure. It was established in this General Committee on several occasions and was supported by the General Assembly in its 6th, in its 11th, and in its 12th sessions. So we are not asking the General Committee to do anything that it has not done many times before. Part 1 of our resolution is a decision on the question of inscription, namely, to reject the request for inscription. Part 2 of the resolution falls within the competence of the General Committee to make recommendations to the Assembly on the conduct of its business, and in this form it is a proposal which has been adopted by the General Assembly many times.

Mr. President, the distinguished representative of India has referred to resolution 396 of the 5th session. I think it is fallacious to say that this imposes the kind of mandate on us that he contends that it does. There is no conflict, in our opinion, between resolution 396 and what we propose. Our resolution deals with the matter here in the General Committee, and it also provides the basis for dealing with it in the General

Assembly. What we propose is completely consistent with resolution 396.¹

Resolution 396 is a document that aims at getting a decision. Moreover, resolution 396 does not say that the issue has to be met at any particular time. Certainly, it cannot be contended that this resolution says that the issue cannot be postponed or that the General Assembly has not got the right or the power not to consider it. I am sure that the representative of India would not contend that the 5th General Assembly had the right to bind all future Assemblies in their right to say that they do not wish to consider a subject.

¹ Resolution 396 of the 5th session reads as follows:

RECOGNITION BY THE UNITED NATIONS OF THE REPRESENTATION OF A MEMBER STATE

The General Assembly,

Considering that difficulties may arise regarding the representation of a Member State in the United Nations and that there is a risk that conflicting decisions may be reached by its various organs,

Considering that it is in the interest of the proper functioning of the Organization that there should be uniformity in the procedure applicable whenever more than one authority claims to be the government entitled to represent a Member State in the United Nations, and this question becomes the subject of controversy in the United Nations,

Considering that, in virtue of its composition, the General Assembly is the organ of the United Nations in which consideration can best be given to the views of all Member States in matters affecting the functioning of the Organization as a whole,

1. *Recommends* that, whenever more than one authority claims to be the government entitled to represent a Member State in the United Nations and this question becomes the subject of controversy in the United Nations, the question should be considered in the light of the Purposes and Principles of the Charter and the circumstances of each case;

2. *Recommends* that, when any such question arises, it should be considered by the General Assembly, or by the Interim Committee if the General Assembly is not in session;

3. *Recommends* that the attitude adopted by the General Assembly or its Interim Committee concerning any such question should be taken into account in other organs of the United Nations and in the specialized agencies;

4. *Declares* that the attitude adopted by the General Assembly or its Interim Committee concerning any such question shall not of itself affect the direct relations of individual Member States with the State concerned;

5. *Requests* the Secretary-General to transmit the present resolution to the other organs of the United Nations and to the specialized agencies for such action as may be appropriate.

This question of resolution 396 was brought up at the 11th General Assembly by the distinguished representative of India, and I spent last night in reading his speech on the subject. So I think I am familiar with it. And this was before the General Committee and the General Assembly last year and the General Assembly acted in full knowledge of it. I hope, therefore, that the resolution which we propose can be adopted.²

STATEMENT IN PLENARY, SEPTEMBER 22

U.S. delegation press release 3000

In the General Committee and now again in the General Assembly the Soviet Union has seen fit to engage in talk of a kind which is clearly subject to a point of order. I did not raise the point of order in the General Committee because I want to be very slow to engage in parliamentary tactics of any kind. I would have been well within my rights here this afternoon to interrupt the representative of the Soviet Union [Foreign Minister Andrei Gromyko] because at least on 12 different occasions he was clearly out of order. That is not right and should not happen in this body.

But far more important than his being out of order is the fact that his whole speech was nothing but an attack on the United States. He did not address himself to the China question. He took advantage of this opportunity to make an attack on the United States. Every member here may well ask himself what his motive was and what kind of a game he is playing here this afternoon.

Now, I would like to cite specific illustrations to back up what I say.

On page 2 of his speech he says, "It suffices to point out the fact that the United States already for 8 years has been occupying a part of Chinese territory, the island of Taiwan and the Penghu Islands, whose seizure was an act of direct aggression with regard to China."

We did not occupy that territory. We did not seize it. That statement is totally wrong.

The next statement: "It is known also that the United States Government does not approve of the social order established by the Chinese people in that country after the popular revolution did

² The General Committee on Sept. 19 approved the U.S. draft resolution by a vote of 12 to 7, with 2 abstentions.

away with the rule of foreign imperialists and their henchmen."

That implies that we approve of foreign imperialism. Of course, our whole history is against all forms of foreign imperialism.

It goes on to say: "Not to approve of the internal order in this or that country more often than not means for the United States Government with its policy 'from positions of strength' to undertake attempts of direct interference in the affairs of this country with the object of imposing its will upon it and establishing in it such rule as is to the liking of the ruling circles of the United States."

Now, let us just analyze that. He objects to our having a position of strength. All right for him to have a position of strength, but we must have a position of weakness. Now, what kind of a consideration is that to bring into a debate on Chinese representation?

He speaks of "direct interference in the affairs of countries," with "imposing our will." We have never interfered. We have never sought to impose our will. There is no country on the face of this earth that has ever been enslaved by the United States. It ill becomes the Soviet Union with its record of slavery to make such charges against us.

He speaks of the "ruling circles of the United States." Here again he is confusing our situation with his. In this country the people rule. There is not a little clique that have managed to get up to the top of the slippery pole who are giving orders to execute this brutality or that.

Now I come to the next one: "In Washington such plans have not yet been laid aside also with regard to the People's Republic of China although it should be clear to everyone that these are but illusory dreams of certain American politicians whose appetites, it would seem, are greatly in excess of their possibilities."

The inference that the men who have been duly elected to govern this country are conducting the policy of the United States in order to gratify their appetites is an unworthy insinuation which reflects no credit on the Foreign Minister of the Soviet Union.

The next point: "The United States Government must not regard so lightheartedly the provocations that it has initiated in the Far East seeking to spread aggression against China, the region of the offshore islands included."

The United States has initiated no provocations in the Far East. We are not seeking to spread aggression against China. We are seeking peace, and every single statement that President Eisenhower has made—and you have all read them—is proof of that fact.

On page 4: "Extremely unsightly are today the efforts of a group of United States politicians to close the eyes of the whole world to the existence of China, to declare 'nonexistent' a great country which at this very time has entered into a period of might and prosperous development after the victory of the popular revolution in China put an end to the long period of disunity, constant strife artificially instigated from outside, brutal foreign exploitation and the ensuing backwardness and poverty of the people."

Well, Mr. President, it seems hardly necessary to say that there are no United States politicians, there are no Americans in official positions, who are trying to close the eyes of the world to the existence of China. We deplore the fact that this group has taken possession of China, yes, in the same way that we deplore the group that took possession of Germany under the Hitler regime. We can deplore that without being accused of denying the existence of China. It is because we value the existence of China that we hold to the policy that we hold.

We are enemies of foreign exploitation and backwardness and poverty, and we will match our record against that of the Soviet Union in trying to be helpful to people with no strings attached to end that backwardness and end that poverty.

The next point: "If the United Nations wishes to deal with reality and not to live in the world of illusions in whose grip the United States Government has found itself as a result of the failure 9 years ago of its imperialist policy with respect to China," and so forth and so forth.

Mr. President, we have never had an imperialist policy with respect to China. I suggest that Mr. Gromyko read history and read about John Hay and the Open Door policy of 50 years ago. He will see to what extent our policy has always been that of keeping China free from foreign domination.

The next point: "We are certainly aware of the fact that the majority of countries espousing the United States Government's position in the question of China's representation in the United

Nations are doing this only for the reason that they are under United States pressure."

Isn't that a polite, charming thing to say about the members of this body who happen out of their convictions to stand with us? Isn't that a delicate, gentlemanly way for one member of a body to talk to his colleagues? Apparently nobody here can have an honest agreement with us. If they vote with us, it is because they are under United States pressure. There again I say to him he is confusing our position with his, because his Government operates by pressure, by putting the screws on people, by intimidating people, by threatening people. He thinks that is the way we operate. Mr. President, we could not operate that way—we do not know how to.

The same thing can be said about this: "The United States abuses its position, imposing its will on states which are dependent on it and which are entangled with a net of military and other treaties."

He cannot find one state on which we have imposed our will. He knows very well that it is on his side that the iron discipline exists. Our side is voluntary, and he knows that as well as I do.

Another quotation: "It is not difficult to conceive that those countries which the United States Government is dragging"—dragging in its wake, if you please—"compelling them to follow its policy, feel it as a burden."

I have already commented on that type of accusation.

Then there is this one here: "Such an illustration is provided by the consideration at the U.N. General Assembly emergency session of the question concerning the withdrawal of American forces from Lebanon and of British forces from Jordan and the decision adopted by it."

He cites that as a defeat for the United States. Well, now, as a matter of fact, Mr. President, we announced that we were delighted when the 10 Arab countries, under the distinguished leadership of Foreign Minister Mahgoub of the Sudan, had agreed upon this resolution, which was on all fours with the resolution which Norway had sponsored and which we were supporting. We expressed our great pleasure. I did not call attention to it at the time because I am a kindly sort of a man who does not go around looking for an ar-

gument, but, as he has brought this up, I will call attention to the fact that the Soviet Union had to withdraw its resolution, which called upon us to withdraw from Lebanon. So they withdrew the resolution for us to withdraw because they knew they did not have the votes. So if anybody got a defeat in that session, it was the Soviet Union.

I quote one more: "The responsibility for further delay in solving this question will certainly continue to rest with the United States Government, which inspires and organizes sabotage against the restoration of the legitimate rights of China in the United Nations."

I need scarcely say we do not inspire nor do we organize any sabotage.

Before I take my seat, Mr. President, let me say that an accusation of the kind which Mr. Gromyko has just made against the United States ill becomes the spokesman of a government with the brutal record of the Soviet Union. I just heard last week from a very dependable source, a man who just returned from Eastern Europe, that the number of people currently escaping from East Germany to West Germany has reached a new high of 5,000 persons a week. Now, that is the argument to end all arguments. That is the most eloquent testimony to the humane character of Soviet communism. Whenever they get a chance to get away from it, they get away from it.

No, Mr. President, the fact is that the Chinese Communists are at this moment seeking, by force of arms and in flagrant contravention of the United Nations Charter, to conquer territory they have never possessed. They have fired some 300,000 rounds of high explosive shells at the island of Quemoy. That is in the neighborhood of three rounds of high explosives for every man, woman, and child on the island. This barrage against Quemoy, which was started less than a month ago, recalls the attempted invasion in October 1949 and the attack against Quemoy in September 1954. In this latest barrage a thousand civilians have already been killed.

We think that this is not only a further disqualification to be added to the already long list, insofar as the United Nations membership is concerned; we also think it would justify the United Nations in taking strong steps against that kind of behavior. The Chinese Communists are rap-

idly shooting themselves—and shooting the world—out of a chance to settle this question as it should be settled.

I suggest to the representative of the Soviet Union that, instead of vilifying us, he use whatever influence he may have with the group now in power in Peking—and we can all of us imagine how great or how small that influence is—to cease their violent and their murderous activities.³

U.S. Supports Inclusion of Item on Hungary

Statement by Henry Cabot Lodge

*U.S. Representative to the United Nations*¹

The United States strongly supports the inscription of this item ["The situation in Hungary"].

The report of the Special Committee on the Problem of Hungary dated July 14, 1958,² reveals that the Union of Soviet Socialist Republics and the authorities of the present regime in Hungary continue to act in complete defiance—in complete defiance, Mr. President—of the many resolutions passed in the General Assembly by overwhelming majorities of the members of the United Nations. Let me specify:

Armed forces of the Union of Soviet Socialist Republics remain in Hungary to deprive Hungary, in violation of the charter of the United Nations, of its liberty and political independence and the Hungarian people of the exercise of their fundamental human rights;

The present Hungarian regime, imposed forcibly on the Hungarian people by and maintained solely through the presence of Soviet armed forces, continues its repressive measures against the Hungarian people and deprives the Hungarian people of the enjoyment of their fundamental human rights and freedoms.

³ The General Assembly in plenary session on Sept. 23 adopted the resolution recommended by the General Committee by a vote of 44 to 28, with 9 abstentions.

¹ Made in the General Committee on Sept. 17 (U.S. delegation press release 2993).

² U.N. doc. A/3849.

The present Hungarian regime, in violation of its pledged word, continues its policy of brutal reprisals against leaders and participants in the national uprising of 1956, including the practice of secret arrests, trials, and executions so shockingly revealed to the world in the tragic case of former Premier Imre Nagy, General Pal Maleter, and their companions.³

I have just seen a United Press dispatch from Vienna dated September 16, from which I shall read.

Four more leaders of the abortive Hungarian revolution in 1956 have been convicted and sentenced to prison terms ranging from 3 years to life, reliable sources said here today.

They were identified as Gabor Tanczos, secretary of the "Petoeff circle" of intellectuals and writers in Hungary; journalists Sandor Haraszti and Gyoergy Fazekas; and former secretary of the Budapest Communist Party Committee Jozsef Surec.

The sources said Tanczos was sentenced to life, Fazekas to 11 years, Haraszti 8 years, and Surec 3 years. The trials were understood to have been held in Budapest last week.

Tanczos, Fazekas, and Haraszti were among the group that sought and was granted political asylum in the Yugoslav Legation in Budapest after Soviet troops moved into the Hungarian capital and crushed the revolution on November 4, 1956.

The Russians promised them safe conduct, but arrested them as soon as they left the legation.

Mr. President, the Union of Soviet Socialist Republics and the present Hungarian regime have willfully refused to recognize the competence of the Special Committee on the Problem of Hungary, which was established by resolution 1132 (XI) of the General Assembly⁴ and that of the General Assembly's Special Representative on Hungary, Prince Wan Waithayakon, who was appointed by resolution 1133 (XI), and have refused all cooperation with the Special Committee and the Special Representative.

In these circumstances, the General Assembly should consider additional measures designed to secure the withdrawal of Soviet armed forces from Hungary, bring an end to the present armed repression, and alleviate the plight of the Hungarian people.⁵

³ For background, see BULLETIN of July 7, 1958, p. 7.

⁴ For text, see *ibid.*, Jan. 28, 1957, p. 140.

⁵ "The situation in Hungary" became item 69 in the agenda as adopted in plenary session.

G.A. Agrees to Rewording of Item on Peaceful Coexistence

Statement by Henry Cabot Lodge

*U.S. Representative to the United Nations*¹

The United States in the General Committee moved to change the wording of this item so that, instead of reading "Measures aimed at implementation and promotion of principles of peaceful coexistence among States," it reads "Measures aimed at implementation and promotion of peaceful and neighborly relations among States."

We made this motion because it reflects the title of the resolution which was presented by India, Yugoslavia, and Sweden last year, and that resolution received unanimous support. We note that the explanatory memorandum specifically refers to this resolution and to the development of friendly relations among nations as a primary task of the United Nations.

Let me point out that the United Nations Charter states in the preamble that one of the purposes of the United Nations is for members "to practice tolerance and live together in peace with one another as good neighbors." The promotion of peaceful and neighborly relations is therefore an important concern of the General Assembly.

Mr. President, we should not stop at peaceful coexistence. We should go further and live up to the full spirit of the charter.

There is not only no shortcoming, to use the phrase of the representative of Czechoslovakia, in this language; it is actually more comprehensive. We feel that this revised phrasing, so that it will correspond with the action taken by the General Assembly last year, will contribute to a serious consideration of measures that might be recommended to member states. We cannot coexist peacefully, Mr. President, unless we behave peacefully and, I might add, justly.²

¹Made during debate on the agenda in the plenary session of the 13th General Assembly on Sept. 22 (U.S. delegation press release 2997).

²"Measures aimed at implementation and promotion of peaceful and neighborly relations among States" became item 61 in the agenda as adopted in plenary session.

Current U.N. Documents: A Selected Bibliography¹

General Assembly

- UNREF Executive Committee. Report on a Survey of Difficult Cases Living Outside Official Camps in Austria, 1957-1958. A/AC.79/126, July 9, 1958. 59 pp. mimeo. Note by the High Commissioner. A/AC.79/126/Add. 1. July 16, 1958. 4 pp. mimeo.
- Provisional Agenda of the Thirteenth Session of the General Assembly: Item proposed by Czechoslovakia. Measures Aimed at Implementation and Promotion of Principles of Peaceful Co-Existence Among States. A/3847/Add. 1. August 19, 1958. 3 pp. mimeo.
- Constitutions, Electoral Laws and Other Legal Instruments Relating to Political Rights of Women. Memorandum by the Secretary-General. A/3889. August 20, 1958. 18 pp. mimeo.
- Supplementary List of Items for the Agenda of the Thirteenth Regular Session of the General Assembly. A/3894. August 25, 1958. 1 p. mimeo.
- Effects of Atomic Radiation. Report of the Secretary-General on the strengthening and widening of scientific activities in the field of the effects of atomic radiation. A/3864/Add. 1. August 26, 1958. 3 pp. mimeo.
- Supplementary List of Items for the Agenda of the Thirteenth Regular Session of the General Assembly: Item Proposed by Australia. The Situation in Hungary. A/3875/Add. 1. August 26, 1958. 2 pp. mimeo.
- United Nations Emergency Force. Report of the Secretary-General. A/3890. August 27, 1958. 12 pp. mimeo.
- Report of the United Nations Good Offices Committee on South West Africa. Letter to the Secretary-General from the Chairman of the United Nations Good Offices Committee on South West Africa. A/3900. August 27, 1958. 27 pp. mimeo.
- Report of the Conference of Experts To Study the Possibility of Detecting Violations of a Possible Agreement on the Suspension of Nuclear Tests. Note by the Secretary-General. A/3897. August 28, 1958. 39 pp. mimeo.
- Request for the Inclusion of an Additional Item in the Agenda of the Thirteenth Regular Session: Programme for International Co-Operation in the Field of Outer Space. Letter from the Permanent Representative of the United States Addressed to the Secretary-General. A/3902. September 2, 1958. 3 pp. mimeo.
- Letter Dated 6 September 1958 From the Acting Permanent Representative of the Union of Soviet Socialist Republics to the United Nations Addressed to the Secretary-General. A/3904. September 9, 1958. 9 pp. mimeo.
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- Supplementary List of Items for the Agenda of the Thirteenth Regular Session of the General Assembly: Item Proposed by Greece. The Question of Cyprus. A/3874/Add. 1. September 12, 1958. 5 pp. mimeo.
- Economic Development of Under-Developed Countries. Report and Recommendations of the Preparatory Committee for the Special Fund. A/3908. September 15, 1958. 33 pp. mimeo.
- Request for the Inclusion of an Additional Item in the Agenda of the Thirteenth Regular Session. The Discontinuance of Atomic and Hydrogen Weapons Tests. Letter from the Chairman of the Delegation of the

¹Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

Union of Soviet Socialist Republics Addressed to the Secretary-General. A/3915. September 15, 1958. 3 pp. mimeo.

Association of Non-Self-Governing Territories With the European Economic Community. Report of the Secretariat. A/3916. September 17, 1958. 28 pp. mimeo.

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Economic Development of Under-Developed Countries. Replies received to an inquiry by the Secretary-General regarding the extent of willingness of Governments to contribute to the Special Fund. A/3910. September 18, 1958. 13 pp. mimeo.

Appointment of Members of the Disarmament Commission. Note by the Secretary-General. A/3913. September 18, 1958. 1 p. mimeo.

TREATY INFORMATION

Educational Exchange Agreement With United Kingdom

Press release 548 dated September 22

In an exchange of notes at London on September 22 the United States and the United Kingdom of Great Britain and Northern Ireland agreed to extend the educational exchange program carried out under the Fulbright Act for another 5-year period. The brief ceremony took place in the Foreign Office with Ambassador John Hay Whitney representing the United States and David Ormsby-Gore, British Minister of State for Foreign Affairs, representing his country. It was exactly 10 years ago that the original agreement was concluded under which educational exchanges between the two countries were initiated.

This amendment authorizes the expenditure of British currency equivalent to \$5 million during the next 5 years for exchanges of persons between the United States and the United Kingdom and colonial areas for purposes of study, teaching, university lecturing, and conducting advanced research. It is estimated that this amount will provide for nearly 3,000 exchanges. Approximately 6,000 persons have been exchanged following the signing of the original agreement and several amendments to extend the program.

The Fulbright Act, approved in 1946, authorizes the use of certain foreign currencies owed to

or owned by the United States which are derived from the sale of war-surplus property for educational exchanges between the United States and other countries.

Surplus Agricultural Commodity Agreement With India

Press release 563 dated September 26

An agreement to finance the sale to India of \$238.8 million worth of U.S. surplus agricultural commodities under the Agricultural Trade Development and Assistance Act (P.L. 480) was signed on September 26 at Washington, D.C. The agreement was signed, in the presence of officials from both Governments, by the Acting Secretary of State, Christian Herter, and H. Dayal, Chargé d'Affaires of India. True D. Morse, Under Secretary of Agriculture, represented the Department of Agriculture.

This is the third agreement to be concluded between India and the United States under title I of the agricultural surplus disposal authority. Previous agreements, totaling \$425.4 million, were concluded in August 1956 and June 1958.

The new agreement provides for financing the sale for Indian rupees of wheat, corn, and grain sorghums. The agreement also provides that the Indian rupees accruing under the agreement will be used for loans to the Indian Government for the financing of economic development projects, some grants, and for meeting U.S. expenditures in India.

This agreement brings to a total of \$664.2 million the U.S. surplus agricultural commodities sold to India under title I of P.L. 480.

Current Actions

MULTILATERAL

Automotive Traffic

Convention concerning customs facilities for touring. Done at New York, June 4, 1954. Entered into force September 11, 1957. TIAS 3879.

Ratification deposited: Spain, August 18, 1958.

Customs convention on temporary importation of private road vehicles. Done at New York June 4, 1954. Entered into force December 15, 1957. TIAS 3943.

Ratification deposited: Spain, August 18, 1958.

Finance

Articles of agreement of the International Finance Corporation. Done at Washington May 25, 1955. Entered into force July 20, 1956. TIAS 3620.

Signature and acceptance: Libya, September 18, 1958.

Warfare, Rules of

Convention respecting the laws and customs of war on land, and annex. Signed at The Hague October 18, 1907. Entered into force January 26, 1910. 36 Stat. 2277.

Ratification deposited: Dominican Republic, May 16, 1958.

BILATERAL

Burma

Agreement providing currency of India, generated under the agricultural commodities agreement of August 29, 1956, between the United States and India (TIAS 3661), to Burma for the purchase of textiles in India. Effected by exchange of notes at Rangoon August 25, 1958. Entered into force August 25, 1958.

Japan

Agreement relating to Japanese contributions during Japanese fiscal year 1958 under article XXV of the administrative agreement of February 28, 1952 (TIAS 2492), for United States services and supplies in Japan. Effected by exchange of notes at Tokyo August 12, 1958. Entered into force August 12, 1958.

Lebanon

Agreement providing for special assistance on a grant basis to Lebanon for budgetary support. Effected by exchange of notes at Beirut September 2 and 3, 1958. Entered into force September 3, 1958.

Mexico

Agreement amending the Memorandum of Understanding of the provisional air transport agreement. Effected by exchange of notes at Mexico February 24 and July 28, 1958. Entered into force July 28, 1958.

Thailand

Agreement further amending and extending the agreement of July 1, 1950, as amended and extended (TIAS 2005, 2809, 3277, and 3740), for financing certain educational exchange programs. Effected by exchange of notes at Bangkok September 12, 1958. Entered into force September 12, 1958.

Turkey

Agreement regarding the ownership and use of local currency repayments made by Turkey to the Development Loan Fund. Effected by exchange of notes at Ankara September 6, 1958. Entered into force September 6, 1958.

United Kingdom

Agreement relating to additional funds to be made available by the United Kingdom for the continued operation of the United States Educational Commission in the United Kingdom. Effected by exchange of notes at London September 22, 1958. Entered into force September 22, 1958.

Yugoslavia

Agreement amending the agricultural commodities agreements of January 5, 1955, as amended (TIAS 3167, 3253, and 3446), and January 19, 1956 (TIAS 3486). Effected by exchange of notes at Belgrade September 10 and 11, 1958. Entered into force September 15, 1958.

DEPARTMENT AND FOREIGN SERVICE

State Department Reorganizes Bureau of Inter-American Affairs

The Department of State announced on September 23 (press release 552) that the Bureau of Inter-American Affairs (ARA) had concluded a reorganization of its operational structure under plans drawn up in January of this year following several months of detailed study and consultations. Instead of the previous two geographic offices—Office of South American Affairs (OSA) and Office of Middle American Affairs (MID)—there are now four geographic offices responsible for the conduct of U.S. foreign relations with the 20 republics of Latin America. The creation of two additional offices is designed to enable each office director to concentrate to a greater extent on his area and to effect closer coordination between Foreign Service posts and the Department on significant political, economic, and consular activities.

The new offices, their areas of responsibility, and directors are as follows:

Office of East Coast Affairs (EST)—Argentina, Brazil, Paraguay, Uruguay, and Venezuela—Maurice M. Bernbaum; Office of West Coast Affairs (WST)—Bolivia, Chile, Colombia, Ecuador, and Peru—Ernest V. Siracusa; Office of Central American and Panamanian Affairs (OAP)—Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama—C. Allan Stewart; Office of Caribbean and Mexican Affairs (CMA)—Cuba, Dominican Republic, Haiti, and Mexico—William A. Wieland.

No changes were made in the two offices responsible for regional political affairs (RPA) and regional economic affairs (REA).

Designations

Edwin M. J. Kretzmann as Deputy Assistant Secretary for Public Affairs, effective September 21. (For biographic details, see Department of State press release 556 dated September 24.)

John A. Calhoun as Director, Executive Secretariat, effective September 29.

Lawrence Koegel as Deputy Executive Director, Bureau of African Affairs, effective September 29.

Thomas W. McElhiney as Deputy Director, Executive Secretariat, effective September 29.

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Press releases may be obtained from the News Division, Department of State, Washington 25, D.C. Releases issued prior to September 22 which appear in this issue of the BULLETIN are Nos. 538 of September 15 and 545 of September 19.

No.	Date	Subject
†546	9/22	IAEA delegation (rewrite).
†547	9/22	New advanced course at Foreign Service Institute.
548	9/22	U.S.-U.K. educational exchange agreement.
549	9/22	Soviet oceanographic survey vessel to call at San Francisco and Honolulu.
†550	9/23	Record number of visitors visas.
551	9/23	Mann: "Foreign Relations Aspects of Lead and Zinc Problem."
552	9/23	Reorganization of Bureau of Inter-American Affairs.
*553	9/23	Adams sworn in as IJC Commissioner.
554	9/23	Coal exporters meet with Under Secretary Herter.
†555	9/23	Case of plane crashed in U.S.S.R.
*556	9/24	Kretzmann appointed Deputy Assistant Secretary for Public Affairs (biographic details).
*557	9/24	Loan for development project in Liberia.
558	9/24	April 1959 NATO meeting to be held at Washington.
559	9/25	Parsons: "Foreign Trade: Welfare or Warfare."
560	9/25	Dulles: Far East-America Council of Commerce and Industry.
†561	9/26	Auerbach: "The Administration of Immigration Laws by the Department of State and the Foreign Service."
562	9/26	ICA aid to Chinese civilians on off-shore islands.
563	9/26	U.S.-India agreement on surplus agricultural commodities.
*564	9/26	Thai parliamentary group visits U.S.
565	9/27	Visit of Prime Minister of Cambodia.
566	9/27	Dulles: Atlantic Treaty Association.

*Not printed.

†Held for a later issue of the BULLETIN.

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